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JOHN LAW: A FANTASTIC FINANCIER
1671–1729

JOHN LAW

From the Portrait by A. S. BELLE in the National Portrait Gallery, London

JOHN LAW:

A FANTASTIC FINANCIER 1671–1729

BY

GEORGE OUDARD

TRANSLATED FROM THE FRENCH BY

G. C. E. MASSÉ

JONATHAN CAPE
THIRTY BEDFORD SQUARE
LONDON

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CONTENTS

PART ONE

PAGE

EARLY YEARS 9

PART TWO

THE SYSTEM 119

PART THREE

ECLIPSE 315

JOHN LAW: A FANTASTIC FINANCIER
1671–1729

PART ONE

EARLY YEARS

§1

AFTER THE DUEL

'Can I not get your men, who have brought me here as if I were a common jail-bird, to leave me my hands free? I give you my word of honour, sir, that I shall make no attempt to break away.'

The officer gave a nod of acquiescence to the request made by his prisoner, who was a tall young man of about twenty years of age, extraordinarily handsome and well built.

Standing facing the link-boys, he drew on his silver-fringed gloves which the guards had just torn. And then, quickly and gracefully, he picked up his cloak which had fallen on to the ground and wrapped himself in it. This was done less for the purpose of protecting himself from the cold than to subdue something of the splendour of his costume. A striped waistcoat, a rose-coloured silk coat with richly embroidered seams, were well enough in a ball-room, but they are worn with feelings of discomfort in the presence of the dead body of a person through whom one has just passed one's sword.

The young man who had taken part in this foolish adventure did not move again after he had once adjusted

his attire in accordance with what was decent. With his arms crossed and his eyes calm he awaited, in the middle of Bloomsbury Square and on the very spot upon which the duel had taken place, the arrival of the commissary whom a sergeant had gone to fetch.

The officer kept peering closely all round where the dead man lay, and ordered the torches should be lowered so that he could see better – for the flames of the torches when held upright tended to redden the grey obscurity of the fog. The corpse stretched upon the ground, and enveloped by the fog as if by a winding-sheet, was hideous.

As he fell to the ground his wig had gone askew and thus laid bare a large portion of the skull. The coating of paint with which the man was wont to besmear his face had now become rubbed all over, rouge was running down his cheeks, and the powder having become damp had formed into brownish little lumps, which ran as far as his mouth with its now discoloured lips: all this tended to give the man an expression of senility, and at the same time it made him look an object of disgust. Death had turned the old man, disguised as he was as a young man, into a poor grotesque puppet. His handsome blue velvet coat with its gold braid looked quite dull in the gloom of the fog, and it was only the enormous, magnificent buckles on his shoes which still continued to glitter.

The prisoner meanwhile was noticing all the queer movements of the officer, a poor scarred soldier, as he walked round the dead man, and he once caught the latter's eye looking longingly at the huge gems. He was not troubling himself about their value; he was merely wondering where they had come from. They had been given to the owner by women. All the courtesans of high

rank in London had helped to build the fortunes of this dazzling Knight of Love – for whose favours the ladies of the nobility had to pay equally dear. For he had been the happy rival of the late King Charles II. The voluptuous dealings of his youth had thus assured him an enviable old age in a luxurious house always filled with gentlemen of rank and charming young ladies. His carriages, his servants' livery, his jewels, his gambling – all won admiration. He still received love-letters written by simple young girls. The prestige of men who have made a name in love lasts longer than do their other talents.

The officer, suddenly jumping up, stood erect and ordered the torches to be held up again. A dull thudding sound was heard in the distance. At that time of night the sound could be only that of the commissary's coach as it came swaying along on the very poor roads of the town.

As soon as the horses' hoofs struck the street in Bloomsbury Square itself one of the link-boys got down from the coach to lead the way for the commissary. The latter was a small, stout, red-faced man, wrapped up in a fur-coat, with a horrible old wig which was rather short for him, and in addition he smelt strongly of gin. He had been obliged to pour himself out a full glass of this upon getting out of bed in order to keep himself awake on the journey. He was followed by a tired gaoler whose wide, gaping yawns kept twisting his short-sighted eyes.

The magistrate and his assistant were just beginning to assume the airs which such men in their position usually do assume when they interrupted everything to rush up to the place where the corpse lay, filled with the most eager curiosity, for the officer had whispered in their ear the name of the victim.

Delighted exclamations followed:

'Yes, indeed, that is the handsome Wilson. That's Wilson, right enough. I had never got so near him before. He was no longer a young man. Come nearer, gaoler. Look at him. The handsome Wilson; you have heard people speak of him, haven't you?'

'Yes,' answered the other with a low whistle.

'This is a pretty thing to happen,' said the little red-faced man proudly. 'And it will make a lot of talk in London. I'm not sorry now that they dragged me out of bed at three o'clock in the morning. And have you seized the murderer?'

Here the murderer made a protest, not without a touch of haughtiness:

'I did not assassinate Edward Wilson. He had provoked me. I defended my honour, sword in hand.'

'These are matters which you will have to lay before your judges. I am here merely to confirm the fact that a crime has been committed and to arrest the man who committed it. You do not deny having killed your adversary? No. Gaoler, write that down.'

The lanky youth took the quill pen out of his wig and asked with a yawn:

'To-day is the . . .'

'The ninth of April, 1694,' snapped the officer.

'I do know what year it is,' said the gaoler.

'Now give me your surname, your Christian name, state your social standing, and the place and date of your birth,' continued the commissary, turning towards the guilty man.

'John Law of Lauriston, Scottish gentleman, born in Edinburgh on April 21st, 1671.'

'A foreigner again,' growled out the questioner. 'Just sign that,' he ordered the young man.

He himself signed a second paper and handed it to the officer.

'Take this man to the Tower,' said the commissary, turning with hasty steps back to his coach.

He was in a hurry to tell his wife the startling news of the night, which was the talk of the town the following morning.

The eyes of many women, in their boudoirs and unseen by husbands and lovers, were filled with tears when they heard the news, and of those eyes there were two especially which for the last three weeks had been for John Law the loveliest in the world. This Mrs. Lawrence was certainly not unaware of what had been the cause of the duel. She profited from the fatuity of the old man, while she derived more enjoyment from the agreeable person of the young one.

In the Strand, shopkeepers standing under their heavy signboards discussed the event. 'I have always served Mr. Wilson. I remember, when he was young, that he often chose cloth for his coats that no one seemed to like, and then everybody went crazy about them when he had worn them.' 'That Scotsman was one of my customers. Once I sold him a fine necklace for an actress at Drury Lane.' 'He bought ribbons from me: or rather he has owed me for them for a long time.'

Different ideas were uppermost at the Exchange, where was the statue of Gresham and where the bankers from

Lombard Street were in the habit of meeting together. There people were less interested in Wilson than they were in Law. 'Wasn't it with him you were talking the other day? A tall, handsome fellow, who spoke eloquently in favour of developing extravagant ideas the weakness of which might be excused by his youth if he did not base them upon so much that is really sound.' 'Oh! these young people of to-day! As soon as they have read *Essay Concerning Human Understanding* by Locke, and a few of Petty's works, they think that they know everything about finance and trade.' 'I know him well. We were fellow-students in Edinburgh. We used to call him Jessamy John, or Beautiful John. His astonishing ability for algebra had made him the college celebrity. That must have turned his brain. We lived next door to each other. His father was a wealthy goldsmith. He was a money-changer too. Merchants accepted his bills without any trouble. I have often heard my uncle say that William Law's signature was as good as gold.'

In the houses of ill-fame in and around St. James's, in which girls from the shops, low-class, disreputable women, and even ladies of the Court traded their so-called virtue for guineas, the names of Wilson and Law were frequently mentioned during the course of the day. The oldest bachelors took the side of Wilson, but the young men were for Law. The respective merits of the two men were discussed. 'Three flagons of Canary-wine,' laughed one whose razor could not efface all trace of the white hairs, 'you make me laugh. It was twelve flagons that the gentleman ordered to be taken up to him for the night. When I had reached as far as the ninth, a woman wearing a mask came to find him one evening. She threw a purse

and said to him, "Is that enough?" "No, it is not," he replied in an insolent voice. And she had to add two more. I have worked for your Law, whom I acknowledge to be a generous man. He always paid for the room with his own money. Wilson was quite a different sort of man: he never paid for it.'

Play was very dull, on the night after the duel, at the gaming-house kept by Nicholson, a rather disreputable character, at the far end of Three Kings Court. No one spoke of anything but the duellists. The unruly set of young noblemen who graced this law haunt, where the players were sharper at play than anywhere else in London, all sang the praises of Law. 'I do not know any one who keeps a cooler head at pharo than he does,' said one man. 'He always behaves calmly, and his smile never betrays him. He would lose his whole fortune before losing his head.'

'The rogue!' said some one.

'My lord!' rejoined Nicholson.

'You have not forgotten his promise, have you?'

'Of winning from me a hundred times as much money as he has lost in this house? And it is no small sum that Mr. Law has laid down. Is that what you are referring to? You are wrong – for he has not kept it.'

'You must be patient.'

'Alas! I don't expect him here again. He has nothing but the rope awaiting him now. The law is strict in the matter of duels.'

'You dodge it enough – you ought to know,' said a slim youth with a complexion like that of a girl, jokingly. 'Listen to me, Nicholson,' he continued, standing up. 'There are ten of us here, and at least twice as many as

that elsewhere who are able to prevent the best fellow among us from being condemned to death.'

'I hope so too, my lord,' said the host with a grimace. 'And now who cuts?'

Near Piccadilly there was a rough-looking beer-house without even a lighted globe in front of it – and it would remain in darkness until daylight, like the rest of London. Merchants were chary about entering. But there were sometimes a few gentlemen who had been at Oxford. For instance, there was the half-starved Richard Lapthorne, whose business it was to write a dozen or so newsletters to send into the country each week, who never stirred from his place there after dark. It was so easy to pick up bits of information, an idea, or some expression of opinion with very little trouble in this old room, in which there were more often than not a few writers, adventurers – to say nothing of bankers and such people, who were well up in current politics – in short, a collection of men it was interesting to listen to.

In front of the table at which Lapthorne sat busily scribbling there was standing that same evening a lanky-looking puritan fellow with a hard, dry eye, who spent all his time in inveighing against the luxury and corruption of the time in a tone of voice worthy of a pulpit and with the gravity of a judge. Malicious tongues had said that in the time of the late King – Charles II – he had been a usurer in a shabby den at Rotherhithe at the expense of Thames sailors, who eagerly changed their paper-bills for cash. Was he rich? Was he poor? No one knew. To listen to him in this place it seemed that he had been born on this earth to guide a great nation in the way it should go; but he was accused of having taken a hand in many shady

affairs, for the sake of gain, in which virtue – a word which was often on his lips – was anything but prominent. After declaring to Lapthorne, to whom the slightest scrap of unpublished information concerning the duel which had taken place during the night would have been preferable, that he 'would rather have the drum of his ear split than listen to a comedy by Dryden or by Congreve, crammed as it was with abominable filthy details,' he went and seated himself at another table round which men were ranged, and presided over by a personal friend of his own. The latter wore a wig, light-coloured, ridiculously dragged down over his nose, which was hooked like that of a bird of prey, and his two round, gleaming eyes. This man was indeed quite a fantastic personage. Thirteen times had he made his fortune: and thirteen times he had been ruined. He had seen service in Marlborough's army. Since his return from travels in Spain and Portugal he was busy preparing extravagant libels for publication. There were people who credited him with abilities. His name was Defoe.

'What are you talking about?' asked the puritan, sitting down.

'What an absurd thing to ask!' growled out the writer. 'As usual, Mr. Blunt, we are talking about the Bank.'

'Mr. Law will not answer any more of your questions,' chuckled the president, full of satisfaction, for he detested the Scotsman. 'And that will be no loss. That fellow thinks too much as the ordinary common man thinks about things. Didn't he want Paterson's invention to be turned into a National Bank?'

'He's not wrong there,' said one of the others. 'The Bank would be directed by the King.'

'That would be a great mistake,' interrupted another. 'The administration would have to be put in the hands of the Lord Mayor, the Aldermen, and the City Council.'

Blunt shrugged his narrow shoulders.

'The Bank must remain under the control of business men and financiers, because they alone understand anything about it.'

'For my part,' proclaimed an old soldier in a red uniform, 'I say the Bank will be an unlucky thing for England.'

'However, there are some notable precedents,' replied Defoe. 'There is Saint George's Bank in Genoa, that's three hundred years old, and then there's the one at Amsterdam.'

'What is good for a republic is not good for a monarchy. Have you ever heard of such a thing as a Bank of Spain, or a Bank of France?'

'You are reasoning as a coach wheel might do as it turns round and round and round without knowing where it travels,' declared Blunt. 'The world progresses. It is not possible to remain behind the times like a fool whose name is Dudley North. In his youth he was in the habit of seeing merchants put away their gold, each in his own strong box, so he refused to hand his to the goldsmiths in Lombard Street, and consequently he became the laughing-stock of everybody who had any sense. There was published the other day a little book called *The Glory of England; or The Great Progress Realized by the Bank and by Trade*, and from which Law read out in this very room a passage which appeared to have struck his youthful mind in some strange way. You remember it, Defoe? The author explains – everybody ought to have understood

it long ago – that a hundred guineas locked up in a safe at the Exchange (for in the course of one morning a goldsmith's bills may pass through ten different hands) can do exactly what otherwise a thousand guineas laid by in ten strong boxes distributed in various parts of London would have had to do. Goldsmiths' notes are in existence to-day. Bank-notes will exist to-morrow.'

'If I understand Montagu's project aright, we shall have a crushing debt,' went on the old officer.

'Do you or do you not wish to continue the war against the King of France?' questioned Defoe, who was an ardent supporter of the Revolution.

'Perhaps there may be some means of raising the indispensable funds,' suggested a fat old man, 'without committing the nation's resources in perpetuity. Yes, it means to perpetuity, because in eleven years the Government will not pay it back: that much is certain.'

'You are forgetting that those wretched French corsairs, such as Jean Bart and Tourville, have sent to the bottom a number of our best trading vessels as if they were blowing out candles. How are you to get them up again? That is what the Bank will do for us.'

'All the same, I would much prefer that the Englishman should not be borne down by taxes for ever,' repeated the soldier with his one idea rooted in his mind.

'And what if I answered that I did prefer to have it so?' burst out Defoe, tossing off his silver tankard of beer. 'Henceforth each landowner will be interested in maintaining the reigning dynasty. By this means the free people who have sent away the Stuarts will strengthen William III's position on the throne. If James returned on the very vessels owned by the monster Louis XIV he

would at once hasten to wipe the slate clean, and our people would be absolutely ruined. There is not a more thrifty people than ours. Thanks to the Bank, the Revolution runs no risk of being thwarted.'

'Hurrah!' shouted Blunt. 'A new world is to be born, and it will be one in which money shall be paramount, our trading vessels shall increase in number, our merchandize be spread abroad, and Their Gracious Majesties shall reign in the most distant parts of the universe. The Whigs already have something of the upper hand over the Tories – all of them more or less Jacobins. All honour be to Sunderland, an intelligent renegade, and may God pardon him his jibes at the expense of the Jesuits. I drink to the death of Louis XIV and to the glory of King William and Queen Mary. May virtue flourish once again throughout this land! And it will flourish if every man will heed the Bible and carry out its precepts among the members of his family. England shall dominate the whole world. A period such as we have never yet beheld lies before us. May the Lord . . .'

Blunt came to a sudden stop in his preaching. A youth, who looked as if he might be a bright-witted footman, had come up to ask him to point out which was Mr. Defoe.

'Here he is,' pointing at him with his finger.

'I have come on behalf of my master, Mr. Law, who has been in prison ever since last night,' said the valet. 'He wants you to tell him the address of a lawyer of your acquaintance who was secretary to . . . to . . . there, I've forgotten what his name is.'

'To Somerset. I know the man he means. I do not know where he lives, but I can easily find that out and let Mr. Law have the address. How is it that your master,

who is so very quick and active, could not make his escape?'

'He was seized by the patrol the very moment he had plunged his sword into Mr. Wilson.'

'That will teach him not to be attentive to the ladies – not one among them is worth more than they get in the bagnios of Whitehall. Tell him that with my compliments.'

'How am I to get hold of that devil of a lawyer?' wondered Defoe to himself after the valet had gone.

It matters not at all how he managed to find him. But on the following morning a man in a long gown descended from a coach at the Tower. On being taken to the Governor of the prison he requested to be led at once without any delay to a man whose name was Law.

The Scotsman was lying on his wretched prison bed, now, however, with fine coverings. Bed-clothes, suitable apparel, and a little Flemish picture of which he was very fond, had been brought from his lodging. The young man was pale and worn out, for the roars of the animals in the royal menagerie near at hand, in addition to the fear of being hanged, had kept him awake all night. He hastily put on his best wig, tinged his cheeks with a touch of rouge, brushed away the snuff from his lace frills, and forced himself to smile. Having once more become his natural handsome self, he stood ready awaiting the lawyer, and ready to bow. When the latter entered the cell he was immediately struck with admiration of the beautiful face and most elegant figure before him. The mere presence of such a fine cavalier was enough to transform their surroundings into a boudoir. Law was all politeness. When once the lawyer was seated he himself sat down on the edge of the bed, and his toes could be seen twitching

in the tips of his shoes. His dreadful air of calmness in no wise tallied with the fierce throbbing of his heart. But when he was questioned as to the origin of the duel he stated the whole affair as clearly as possible.

A lady, whose name he would not mention, had been kindly disposed towards him for some time. She was an incorrigible flirt, and had played him against Mr. Wilson, who, like a great many elderly men in love with a young girl, experienced at one and the same time the feelings of an impossible lover and an imaginary father. His, Law's, great mistake had been to make fun of the old beau's absurd weakness in letters, wicked enough in all conscience, which he had written. And, still worse, the lady had replied to them in the same style.

Mr. Wilson, having intercepted this correspondence, in which he himself cut a very poor figure, had become very angry, and in his turn he had written to each of the two young people an offensive letter. Law had determined that the letter he received should not remain unanswered. Next, Mr. Wilson had demanded reparation. Mr. Law had, of course, consented. So, according to arrangements made beforehand, he had gone the other night to the Fountain Tavern in the Strand directly he had left the Countess of Westmorland's ball. Mr. Wilson, accompanied by Captain Wightman – a man of quite good standing – was also at the Fountain Tavern. Insults were exchanged in public, and they left the tavern. Mr. Wilson had gone off in his own coach with the captain. As for himself, he had got into the hired coach which was waiting for him outside. When they reached Bloomsbury the coaches quickly disappeared out of sight, as also did the captain. The rest of the story was known already.

'We shall deny premeditation,' said the lawyer, 'and we shall arrange the phases of the duel to suit ourselves with the one object of baffling the law whenever we can seize the chance. As morality is so very much the fashion at the present day, I shall make the most I can of the not too reputable mode of living led by the old beau. I think that your own is a bit better,' he added with a smile.

'I have never accepted presents from women,' said Law. Then, as his eye happened to glance at a very valuable diamond ring on a finger of his left hand, he added, 'At least not a present of money.'

'Tell me about yourself, and your family,' said the lawyer. 'You were born in Edinburgh: your father was a goldsmith: he was quite successful as a money-changer. And then you came to London. That was three or four years ago?'

'Three years ago. My father's name was William,' began the young man, now speaking more slowly. 'Our family is very illustrious and very ancient. Before 1260, while Alexander III was King of Scotland, a Law of Lauriston was already the possessor of great wealth. In 1398 Robert III gave the estates of Bogness, Lower Luckwood, Glassgreen, and Kingousi to my ancestor, Robert Law of Bogness, who was the second son of Robert Law of Lawbridge. James Law, Lord Brunton, who was Archbishop of Glasgow in 1615, was connected with my family. Our motto is *Nec obscura nec ima.* In 1683 my father bought the estates of Lauriston and Randleston from Margaret Dalgleish and took the title of Baron of Lauriston, to which I am now entitled since his death which took place on September 25th, 1684. My mother, Jane Campbell, is descended from one of the branches

of the ducal family of Argyll. I am therefore of good family, and I have the right to be astonished that in the police report my names does not appear in full and that my designation *gentleman* is omitted.'

'It is the general rule for officers of the law here to be very cautious, perhaps too cautious, in matters concerning titles of the foreign nobility,' remarked the lawyer.

'My parents,' continued Law, 'had eleven children, two of whom died young. I am the eldest son, but two of my sisters, both married, are older than I. My father was a man of good understanding, and a very virtuous, good husband. But he was too obstinate, and if he had lived we should not have got on very well together. I was not quite fourteen years old at the time of his death, and I had already gone against his wishes. He wanted me to carry on the business after him. The prospect of spending my days behind a money-changer's desk in a dull place like Edinburgh did not please me. As you are asking for a full confession I will not hide the fact from you that at college I was a remarkable pupil. The progress I made in literary studies was fairly good; but in arithmetic and in algebra I showed abilities above my age. I used to solve easily and quickly all the most difficult problems. One of my masters, he was certainly a rather eccentric fellow, advised my father to have my head opened to see what was inside it if I died young. The truth was very simple. My mind took readily to such subjects and worked out problems with enjoyment. I did not neglect bodily exercise. I was then, as I still am, as good a fives player as I am a good mathematician. When my father died my mother carried on the business just as well as he had done. She is strong-minded and possesses qualities of a high

order. She let me study in accordance with my own wishes, and her family connexions gave me the entry into the best circles of society, where I think I may say that I had some success. I devoured the works of old Mun, and was very much taken with admiration for Locke. All that reading was just the thing that suited me. But I was getting tired of Edinburgh. I was then twenty and filled with a dauntless curiosity. I started off for London with letters of exchange which represented the whole amount of the money I had inherited from my father. Eight months later there was nothing left for me to do but to sell Lauriston in order to pay my debts. In February 1692 I wrote to this effect to my mother, who hastened from Edinburgh to pay off what I owed, and that was a good deal. By this means she spared me from the loss of my title of Baron and from being imprisoned as a debtor. I never suspected that the Tower would, two years later on, give me still more cruel hospitality. You want to know how I was ruined? Why, by living in great style, playing high, squandering money on women, and lending to my friends.'

'As far as women are concerned, your looks ought to have been a safeguard,' observed the lawyer.

'They never required anything of me,' replied Law, 'but it gives me the greatest satisfaction to witness the joy they experience when they are showered with presents.'

'Since then you have, I suppose, been a little more discreet in the matter of making presents?'

'On the contrary. By the time my mother had got half-way back to Scotland there was but very little left in my purse of the money she had given to me.'

'Then what have you been living on since?'

'I have lived by gambling.'

'Are you clever at cheating? This is not said as a reproach.'

'Your question does not hurt my feelings in the least. The best men cheat. But that is owing to ignorance. They speak of chance, and in the belief that there is any such thing they act according to that belief. Chance is a myth. In gambling everything turns upon calculations. To start with it is quite enough if one has a certain combination of cards. The great mistake which players make is that they do not calculate long enough. A moment always comes when they lose their head. As for myself, I can keep cool from beginning to end in any game. I leave everything else to my natural taste for figures. Don't be frightened – I lost a tremendous lot while I was learning this. That tavern of Nicholson's is an expensive school – but very profitable. If only those judges acquit me, I am going to get the better of that fellow.'

'And at the same time you make me wish doubly to save your life, for I should much enjoy looking on at such a game.'

The lawyer was astonished to hear himself speak in that fashion. At the first words that Law had mentioned concerning cards a slightly ironic smile had hovered about his pale lips. Just as any other man of good sense, he knew that it was as impossible to make certain of winning at cards as it was to foresee the future correctly. At least, hitherto he had thought so, but for the last five minutes the Scotsman's tone of sincere conviction had altered his ideas completely. Law used only the very simplest words in speaking, but he pronounced them in such a rich, harmonious, and well-considered tone, and

with an air of such good faith all the time, that his spontaneous eloquence was altogether persuasive. Indeed, the lawyer was so won over to believe that this handsome young man really possessed genius as a gambler that he had all but asked him to have a game of pharo with him then and there, when he realized that he was wearing his robes.

'Are you going to keep a secret like that to yourself for ever?' he said. 'The secret of such a surprising science?'

'I would have spread it abroad,' answered Law with a touch of his former *naïveté*, 'if I were not risking, in so doing, losing for myself a power so much to my own taste by making all players equally invincible.'

'And have you never been tempted to bring your wonderful knowledge to bear in some less futile direction?'

'There are two modes of leading one's life,' declared the young man, now speaking very seriously. 'The first is by allowing oneself to be stunted in a manner which will fit one into a definite niche. The second leaves a man's special gifts to develop in freedom, and at the same time holds out to him sufficient hope that circumstances will, sooner or later, find him scope. At the present time we are making our way, gropingly, into a new world. I should much like a prominent place in it. But first of all I must determine exactly what it shall be. To many people the way in which I spend my time appears irregular. But they must let me have a chance of looking at things squarely. I have already solved the problem of gambling. Then there is the problem of love: that and a few other little matters have to be discovered by degrees. Mathematics is a key which can open any door.'

'Have you found a solution to the problem of love?' asked the lawyer.

'I certainly know more about cards than I do about women,' said Law, laughing.

'Do you want me to tell you what you are?' exclaimed the lawyer. 'You are Don Juan, but a Don Juan who is no way mixed up with women. Don Juan wished to take with him to the other world one secret only; but you, why, you want to snatch at several before you depart.'

'Then it would be well if the hangman's rope were not to cut short so fine a destiny,' said Law jokingly, and for the moment he seemed to have suddenly lost his vanity. 'My friends have told me that they will see all the jurymen and that they will not be stingy in the matter of bribes. Do you approve of that?'

'That is the usual thing to do. But you must not forget the judges.'

'My friends will not forget them either.'

As soon as he had driven away from the Tower the lawyer, in the depth of his coach, recovered his ordinary senses.

'This man is a perfect fraud, a fool, or a genius. A fine brain and a handsome face.'

Law, in his cell, had taken off his wig and was laying out the cards, which he had just taken from his pocket, on his miserable little bed.

On the 17th of April the prisoner was removed to the Old Bailey. On the same day his counsel came to instruct him in his defence. He did not hide from him that the threats contained in the letters, of which he had full

knowledge, were most serious and might very likely place him in an untenable position. After he had said all this he added less severely that his title would be used in all the official documents.

Law was taken to the law court on the following day. The case was a long one and dragged on for three days. A certain Smith, manservant to Mr. Wilson, was the first to take the oath. He swore that his master had drunk a pint of beer an hour before the fatal meeting and had mentioned the name Law. Captain Wightman and the brother of the deceased were the next to make their depositions. All the noblemen who frequented Nicholson's in turn vouched for the accused man and asserted that he was not of a quarrelsome character.

In his own defence Law stated that his relations with Mr. Wilson had never been otherwise than good until they met at the Fountain Tavern: that the meeting in Bloomsbury had been entirely accidental, that Mr. Wilson was the first to draw his sword, and that he, Law, had remained on the defensive. The unfortunate thing was that he, without any premeditated intention of evil, had been suddenly seized by a fit of anger.

The case was concluded. The jury was informed that the court had decided that Mr. Law and Mr. Wilson had agreed to fight, that Mr. Wilson drew his sword first, but that nevertheless Mr. Law had killed him, and that consequently, according to the law he was found guilty of murder. It was also stated that if two men have a sudden quarrel, and one kills the other, it is unpremeditated manslaughter; but in the present case it was different on account of the perpetual disagreement which existed between the two gentlemen, and which they must

not overlook, and that the intention to cause death was in the mind of the one who killed the other.

Having seriously considered the verdict, the jury gave a similar decision: Mr. Law was guilty of murder.

On April the 20th the prisoner was taken to hear his death sentence. It struck him as if it were a thunderbolt fallen on his head, and he was asked if he had anything to say in his own favour and to prevent the execution of the sentence.

In reply the young man could only say in a very weak voice that he begged for mercy.

When he was taken back to prison he bribed the gaoler not to put him in the dungeon among the other condemned men, and then he allowed several nobles to come in who wanted to see him. They were all greatly offended that the jury should have quite ignored their preliminary visits. Later on a minister of religion was brought in to give some comfort – which indeed he much needed. And as soon as he was alone again he very patiently wrote one long letter, and sent for his servant and told him to take it to the address written on it, and urged him at the same time to keep it secret. Thereupon the youth, in fear and trembling, declared, stammering, that he would never dare present himself to such a great lady. The lady referred to was no less than one of the Royal Princesses, who had, however, loved the young man and had given him as a token of remembrance the handsome diamond which he wore on the third finger of his right hand. He now implored her to intercede for him with Their Majesties that his life might be spared.

'You will not see her, you coward! All you have to do is to ask to see Betty – one of the maids.'

After the elapse of some days, during which his spirits had sunk to the lowest depths, the condemned man received a pardon from the King, and he immediately returned to his lodging in St. James's, where he was oined a few hours later by his friends, who intended to give a magnificent entertainment in his honour.

For some few weeks Law had resumed his ordinary mode of life, but he did not feel quite so easy in his mind as he used to do. For instance, this evening he was almost in a bad temper – which was an unusual thing for him. The post had brought him a letter from his mother in which, while she rejoiced that he had been pardoned, she at the same time blamed him for having put himself into a position to require it. Without appearing to draw any comparisons, but not without some intention of doing so, she spoke in words full of praise concerning his younger brother, Andrew, who had recently set up as a goldsmith in Edinburgh, and whose betrothal with the daughter of John Melville would very soon be celebrated: 'You will remember Melville,' she reminded him; 'he was present when you were born.' The marriage was fixed to take place in the following January, and they wanted him to be there. 'Are you not going to get married too?' inquired Jane Law.

He had no wish to do so. Women, as well as a great number of other things, had suddenly begun to weary him to a terrible degree. He no longer saw Mrs. Lawrence, and now considered her a commonplace, self-seeking woman, who but poorly aped the courtesan, and who owed him the fine gold watch she wore strutting about in London. He still visited the bagnios, but with

little eagerness, for he had been deeply hurt that his later little note to the mysterious Princess, in which his passionate sentiments and his gratitude had struggled for a foremost place, had received nothing but one short phrase: 'May God protect you, my friend.' Blunt would not have said it better. If wit had been one of the great lady's characteristics, such an answer to a resolute lover might not have been found quite free of irony. Everything weighed down John's spirit, balls, plays, comedies, and marionettes, all alike, cock-fighting and everything else. In every man strolling in the Park or in the neighbourhood of St. James's he saw a walking corpse.

These Englishmen around him were sad because they worshipped golden guineas too much and high position. When his anger cooled he could recognize their merits. And as a good reader of Mun he realized that there were not in London, as there were in Scotland, professions despising shopkeepers without considering that all business which increases public wealth is glorious. In short, he had a keen longing to hold his own in the world, as others did, and to give up a manner of living which, as he grew older and in the long run, would show him to be an adventurer. A project had formed itself in his mind: he would offer his services to Paterson in the bank which it had been decided to start. He was aware that a long room was to be reserved for it at Grocers' Hall, in the Poultrey, and that it would employ about twenty or so men. He did not blush to count himself as a clerk. He was seized by an urgent need for action. And then a man must learn before he can think of being a master.

In seeking a career for himself, he had lately felt called upon to enlighten the public by means of books containing

his own original ideas, in addition to reflexions inspired in his mind by the works of others on trade and finance. But this kind of work was not altogether to his liking. It attracted him rather as a proof of the excellence in realization than as a test of his ideas. That is what he so much appreciated in gambling. The precise exactitude of a combination in the cards appeared to its author in one movement of the hand. His was not speculation to charm his reasoning powers, but for the purpose of acquiring the power to cope, with a certain hand, with destiny. In approaching all women, it was no matter of concern to him as to which he might really love, but simply he aimed at gaining upon a husband, or a lover, as the case might be. If he chose only those women who were beautiful, it was only because a gambler of his standing was not in the habit of playing for small stakes.

'I shall go and see Paterson to-morrow,' said the young man decidedly. 'He is my fellow-countryman. He will receive me. It will be a good chance to give him some pieces of advice. To be, or not to be, taken into the Bank?'

With a smile at his own parody on Shakespeare's words he flung down two cards. 'Red,' he thought to himself. The ace of clubs and the knave of hearts appeared. Slightly shrugging his shoulders, he asked for his sword and his hat and betook himself to the tavern in Piccadilly.

'Another new coat!' growled out Blunt as soon as he saw him. 'So you are not improving your habits? After what has happened to you, any one would expect you to be affected in some way by the mercy of God.'

There was no time for him to answer before a stranger suddenly accosted him.

'My lord, I want something to drink,' said the unknown, whose nose plainly showed that he had not long been in such need, and who was wearing a filthy coat with shabby embroidery and ragged lace.

Imitating the speech of an idiot, he gave an account of his story.

'I am Gwynn, a son of Nell Gwynn. My mother sold fish and oranges at one time, and she was on the stage: then she was the mistress of the late King Charles, and then the mistress of Mr. Wilson as a matter of course. The *late* Mr. Wilson – thanks to you. To my knowledge I have had three fathers, to say nothing of those whose names my mother has forgotten.'

'Silence him somehow or other,' said Blunt, stopping his ears with his hands.

'Ten guineas would not come amiss to me,' continued Gwynn without listening to Blunt's protestations. 'Otherwise I may miss my dinner with Duke Humphrey – as the saying goes.'

'Well, here are twenty: but you must take yourself off at once,' commanded Law.

'Twenty guineas for such a wretched scamp!' said Blunt with a sigh. 'You seem to be as scandalously generous as those financiers who have been making money out of the war.'

'There are not enough Jewish bankers in London to teach people better.'

'Your reply holds good only since good King William has governed the country. As a matter of fact, there used to be a good number over here who had come from Spain. There were some who taught the Dutch methods of creating artificial wealth.'

'Obstacles have always made them work the harder, and it is no easy matter to do anything of importance in finance without them, or against them. I would prefer them to this Paterson whom you wish to help, if I have rightly understood all you have been whispering to Defoe. The Scotch are excessively shrewd, but, if I may say so, they lack trickery. They are good at forming projects, but they carry them out badly – or, if you prefer it, they are idle in putting their projects into practice.'

'Here's the fellow who saved your head,' said Defoe thoughtlessly as he saw the lawyer enter the room.

'Long live Queen Mary and King William,' shouted Blunt, who was capable of any form of mischief and even of wit.

'Well, and what about that famous game at Nicholson's?' asked the former secretary of Somerset's when the greetings were at an end.

'Upon my word! I never thought anything more about it,' cried Law in astonishment. 'Shall we all go there now together?'

'Will you let me follow you?' asked Lapthorne, coming out of the corner of the room in which he had been sitting.

'By all means, if you want to,' answered Law, smiling. 'An account of the exploit will fill up one of your newsletters. I invite you both,' he added, turning to the two friends.

Blunt declined to go, saying that he never went near such places of perdition.

'I prefer to discuss the matter with this queer fellow,' said the writer.

The others were welcomed with cheers from a number of young men the moment they got inside the house in

Three Kings Court. Nicholson was enthusiastic and quite ready to answer the Scotsman when asked whether he had the wherewithal to back any bills he might have to sign.

'My strong box is full enough to pay you in cash, and perhaps too full to take all the money I am going to win from you.'

Law said nothing to this, but sat down. He had already won a fair amount, and everyone was saying that the game being played would count as one of the most extraordinary that had ever been played in London, when a man broke in upon the murmurs of admiration and said in a clear voice:

'Mr Law is a true magician: and his power is something more than a power over cards. Little as it may appear to be a fact at this moment – *he can make a living man die and bring a dead man to life.*'

Pushing back his chair with his foot, Law stood up, his face white. He had just recognized the brother of Wilson, who had given evidence against him at the trial.

'Do not be uneasy. I will leave you. You had a good man to defend you, but you lost the case. I shall engage one who is still better and who will throw you into prison again.'

It was not long before these threats took shape.

It was on a day of early summer, with a clear sky and mild warmth in the air, when, late in the afternoon, Law was driving back to St. James's, feeling in a bad temper but also cheerful. His discussion with Paterson had been unsuccessful, but so absurdly unsuccessful that the best thing to do was to laugh at it.

At the very first hint of criticism Paterson, fool that he was, had become angry. The wonderful scheme had

been bandied about now for so long, from one office to another in London, that it could not help getting on his brain a little. And now at this very moment, when the Act was on the point of being passed upon a vote obtained with some difficulty in Parliament, here was this young libertine, an irresponsible busybody, coming, under the pretext that he was a Scotsman – a fine excuse indeed! – with a handsome wig, and his finger-nails tinted, yes, actually having the audacious intention of giving him advice. What impudence! That sort of thing had to be put right. Paterson did not mince matters in the least.

Leaning over the papers which were lying on his table, and waving his arms before him, Paterson, with his straight pointed nose, described hurriedly his marvellous travels, his stay in India, the years he had spent in Amsterdam, where his shrewd eyes had been able to learn the secret of the Bank.

'I should have seen just as much if I had gone to Holland,' said Law in a sarcastic tone. 'I will call to see you in a year's time, and you will be sorry that you have not listened to me earlier.'

'During the next year you may please yourself; but at this present moment all you have to do is to get out of this office. The door is behind you.'

'What a fool the poor fellow is,' murmured Law to himself a little later when, seated in his chair, he was wending his way in and out among the numbers of pedestrians in the crowded streets. 'The goldsmiths – I know them well, my father was one of them – will play off some tricks on him and very likely bring him to ruin. And it is *he* who is in the right! If only he had listened to me. . . . But, oh! dear no!'

His spirits, however, were so much raised by the beautiful fine morning that the young man seized his sword and, holding it as if it were a guitar, he 'plucked' it in defiance of Paterson and his fury; but very suddenly he stopped short. What was that waiting for him?

Two soldiers with a coach in readiness were waiting in front of the door of his lodging, and he was taken the very moment he had put foot to the ground. Wilson's brother had appealed against the former judgment, and now he had to be taken back to prison until his trial before the Court of King's Bench.

Law could not grow accustomed to the gloomy place, and as his time in prison was lasting a long time he decided to remind, for the second time, the Princess who had been so fond of him, of his existence.

'She said, when I wrote the first time, "May God protect you." And if she is not confusing the Marshal of the Court of King's Bench with God in her mind, she is bound to help towards the realization of her own blessing.'

When the letter had been sent off Law waited patiently for his pardon. He still believed in his lucky star even if subject to occasional eclipse ever since last April. The weeks went by and no pardon arrived. But one night at the beginning of January the key turned in the lock of his cell and a candle shone in the darkness. He jumped up, and, thinking that he saw the gallows in front of him, he recoiled on his miserable bed and clutched at his throat as if to protect himself.

'Put on your clothes,' said the man, an official of some kind, 'and be as quiet as possible, above everything.'

'What's to happen to me?' questioned Law.

'Sh . . . sh . . .'

The Scotsman dressed without loss of time, and waited breathless.

'Now follow me,' whispered the stranger.

The prisoner followed him, groping along the passages. They went across a silent courtyard, threaded their way down a subterranean corridor, went up one staircase and down another, now they turned to the right, then to the left, and finally went straight on. There were to be seen a dozen or more bluish holes arranged in the shape of a triangle, and the official pushed open with his knee the one door which was not fastened. They then found themselves in a fog and walking through snow. Law did not know in what direction he was being led, and his companion would not open his mouth. For some time they made their way in the darkness until they reached the Thames, by the side of which they walked slowly. The official knew exactly where he was. All at once he gave a whistle. There was another whistle which came in reply from the water, and in its direction the two men went. A rowing boat came up to them and they got in. Dawn was beginning to break. The boatman pointed out a ship – quite black in the fog – and made for her. A rope ladder was hanging down her side.

'Come along,' said the official.

The prisoner obeyed. When they were on board he was led to the large cabin, which was empty. The man who had brought him thus far drew the candle from his pocket, lit it, and then the two sat down face to face to wait for the captain.

Law had not the strength to ask any questions. Now and then he thought he was in a dream. At last the soldier condescended to speak.

'You have escaped, thanks to your own exertions,' he was told. 'In your cabin you will find a hammock, a sea-chest containing clothes, and five hundred guineas in a secret drawer. This vessel will sail within twenty-four hours. It will take you to Amsterdam. When you arrive in port the captain will hand you a letter addressed to the English Resident in Holland, and to whom you must report yourself. Your passage has been paid. You will have, as your only companion, a Dutch banker. You can keep your own name, but do not make any sort of show – keep as much out of notice as you can. You will take your meals with the captain as in the ordinary course of events. Neither the ship's master nor the captain knows where you come from. I am a relation of yours. Sh . . . He's coming. Just one last word: Her Majesty Queen Mary died on the 28th of December. I am mentioning this in case any one should speak of that event.'

A little man came up to them. He had treacherous-looking eyes and a large red nose which reminded one somewhat of a tomato, and his hat was pulled right down over his brow. His teeth were blackened and could be seen through his scanty beard. But in spite of his not too attractive appearance his welcome was amiable enough:

'The ship has been thoroughly overhauled. If the wind is in our favour we shall start to-morrow. I understand from your cousin that you have been a little while in London and want to go to Amsterdam on business. You haven't got any luggage?'

'He has only the chest which I brought yesterday. Here is the letter I spoke to you about, and which you will give him when you reach port. It will be safer down in your own private cabin.'

It was on the following day, in the large cabin, when Law made the acquaintance of his fellow-traveller. Merkus, clad in a long, substantial brown cloth cloak, was very stout indeed and had a florid fat face. Even when he was standing up his stomach was so weighty that he easily appeared to be still seated. He was continually blinking. When he laughed he laughed long. When he spoke at all he said very little.

Judging from the hurrying to and fro above their heads they were aware that the time for their departure had arrived. Together they went up on deck. As soon as they reached the open sea they were so much tossed about that they went back to the cabin.

They were very much together during the voyage. Sometimes the captain had them into his own cabin.

The captain was a great talker. When he was not on the look-out in perpetual fear of a pirate vessel, with its red flag bearing upon it its familiar emblem of an arm extended and grasping a blue sword, on one side, and the inevitable skull and cross-bones on the other, he liked nothing better than to tell his two companions stories of his ship. And he began by telling them that a well-built ship must as far as possible resemble the shape of a mackerel, which was, apparently, the fish which had the greatest ease in swimming.

He was a good fellow. In addition to loving his ship, he honoured God, and hated the King of France. He once said gloomily:

'If by chance I were to meet Louis XIV and he asked me to smoke a pipe with him I should refuse – without saying a single word. He does not understand English, and I do not speak to deaf people. That is what I say,

yes, I, Captain Clinch – the first man on board this ship, after God.'

He was not averse to relating tales of his travels either. He had crossed every sea there was to be crossed, he had put into every port, and he had visited all distant countries, to say nothing of a great many more which were certainly not to be found on any of the maps.

'In that country,' he would say, speaking in a particular tone which was understood to forbid any one from asking its name, 'the streets are paved with pure gold, and elephants are used instead of horses. Any one may go out in the morning into the fields, and he may just dig a depth of two feet – and gold runs out.'

'Is it liquid?' asked Law quite seriously.

'No. Solid. And from the other side of the road . . .'

'So there are roads there, too,' said Merkus in astonishment.

'No, there are no roads; but there is space where they could be made. Well, from the other side of the road you may do just the same thing and you obtain gems or silver. That depends upon whether you are looking at the sun or not. As for women!'

'As for women?' repeated Law, pretending to be interested.

The captain continued, saying that the women in that country would make many men alter their opinions. 'That is what I, Captain Clinch, say.'

These stories amused Law so much that he wrote them down when he returned to his cabin.

Towards the middle of the second fortnight of January land was sighted, and Law was lingering on deck the better to see it.

'I am going to show you the *camel* when we reach Amsterdam. It is what they use to hoist ships up on when repairs are needed. It is unique.'

Law scarcely listened. He saw in his mind the Castle of Lauriston, which his father had bought for him, and where preparations were now being made for Andrew's wedding. He, John, had begun the year in prison: where would he be at the end of it? What did that mysterious letter which the captain would very soon give him contain? He did not know how to answer Merkus when he asked him if he was going to stay long in Amsterdam. At all events the banker, charmed by Law's face and manners, wished to give him hospitality in his own home.

The ship made slow progress up the canal in and out between the masses of ice, while in the distance a large, sombre-looking city began to appear.

§2

HOLLAND

For some little time after his first arrival in Amsterdam Law felt that as a matter of fact he had merely changed one prison for another.

As soon as he had landed Law went straight to the English Resident, who, in exchange for the letter placed in the captain's hands in London, instructed him exactly as to how he was to behave in Holland.

The young man was asked, and the request was made in a manner which made it impossible to decline it, to accept a place as a clerk at the Residency, and at the same time to keep clear of all public gaming-houses and to avoid all idlers' society. This last injunction was of very slight importance – for fops, idlers, and loafers were as rare in Holland as were poor people.

In order to strengthen him in his good resolutions which had been forced upon him, *The London Gazette* for January 7th was put into his hands. The Governor of the King's Bench Prison was advertising the flight of the prisoner, and promised a reward of fifty pounds to any one who would bring him back. Did he expect to pay this? In any case, the personal description which was given was no longer a true portrait of Law, who had grown older within the last two years, and was described as a captain. Even if this title was not taken literally in England, at least it did nothing to make discovery easier.

Therefore what he read in the newspaper did not greatly disturb the culprit, who merely said gaily:

'If only this clumsy announcement does not bring about loss of liberty to that excellent Captain James Law – commander, when I was a little boy, of the *Hopeful Mary* of Leith, in which my father and his friend Erskine often journeyed to London . . .'

Such an easy-going way of taking the matter annoyed the Resident, who was inclined to curse his bad luck which gave him the responsibility of watching such a queer, handsome fellow. As for Law, he was turning over in his mind what kind of existence he would have to lead in this place – surely it would be of the less agreeable sort, considering that his fortune was limited to five hundred guineas.

Amsterdam from the very first was not to his liking; it seemed coarse. Its twenty-six windmills, each with a red roof and a wooden balcony which looked like a bottomless basket, had not amused his curiosity. He yawned under the magnificent trees near the Muyden Gate. If they could have understood what he said to them he would have insulted the Herring Tower and the Tower of Tears. Everything in the town gives out an atmosphere of honesty, wisdom, and boredom. The comedies played at the Keyzersgragt seemed to him to be the most depressing performances in the world. When visiting the Old Church, if he condescended to raise his eyes to its imposing copper dome, he stopped longer looking at a grave-digger taking earth out of a square hole in the paved floor, and who whistled for his dog which had gone half-way up the choir. This sight was in keeping with his own gloom. Oude Zids Herren, where pictures were sold, pleased him very much, and he decided to visit it again. He examined

with greater care than it really deserved the porch of the famous school which he had heard so highly praised, as well as the two façades belonging to houses of correction for men and for women, where the difficult task of reconciling thieves and immoral women with industry was carried on.

But it was at the Residency that Law experienced his first great feeling of true delight in Holland. It was when, for the first time, he held between his trembling fingers paper money issued by the Bank, the celebrated Bank of Amsterdam. On the back was written the usual bank formula: 'Kindly place this sum to the credit of my account at the bank. Amsterdam, February 4, 1695.'

He went and gazed with admiration at the Town Hall, where the Bank was for the time being situated.

'Paterson has got hold of the secret. . . . So shall I,' said Law with determination.

The time had arrived for him to adapt his abilities to circumstances. In two senses he was an exile: from the country in which he had chosen to live, and from the kind of life which suited him. He spent his dull hours of leisure in the strenuous attempt to grasp just what it was that lay as a basis of the immense commercial and financial prosperity which was spreading over the whole of Holland. He, as a start, devoted himself to a study of the language, and then he began to take notes.

The Bank had been founded for eighty-six years. Nothing concerning the management of its accounts had been altered. Strictly speaking, it is a savings bank for merchants, who are all obliged to put their money in it, and, thanks to various ingenious arrangements as well as to the payment of interest, to leave it there. Bills of

exchange worth more than three hundred florins could only, in fact, be paid at Amsterdam in bank silver, that is to say by means of a simple transfer from the creditor's account to the debtor's account.

This method of working completely baffled Law, who had hitherto known nothing of it. The Scotsman saw how in the course of about a quarter of an hour a merchant could make or receive payments of four or five thousand florins without speaking a word to anybody or going out of doors. So he noted this, his first discovery, on a piece of paper as follows: 'In the matter of making payments the Dutch are far ahead of the English so far as convenience is concerned; they do not hold back bank-notes and do not forward the former in exchange for the latter; they have printed orders which they fill up and by means of which they assign to the Bank the sums of money to be paid in, and in the same way payments may be received.'

There was more that Law wanted to know, so he loitered about on the Square of the Dam, where the Bourse was. That spot was very much frequented by men who gathered round the private cashiers of the Bank. Owing to the fact that the Bank had no facilities for opening cash accounts, these private cashiers placed cash at the disposal of either the merchants in their transactions with the Bank or at the disposal of the Bank to help it in meeting its clients' requirements. They were constantly handling paper money, ducats, rix-dollars, and in fact any current coin. Law, who listened very carefully to all that went on, heard one word coming up time after time in conversation. It was the word *agio*. That is, the Bank did not receive coin at its face value as current cash.

'The Bank takes it only at a lower price, a reduction,'

some one explained to him. 'What we may call 50 outside the Bank appears as 48 in the record of the transaction. This difference is called the *agio*.'

When Law had learnt that the Bank would also accept gold or silver nuggets and gave acknowledgments for them: and that these acknowledgments or receipts were objects of trade, just as were the receipts given by the Bank for Mexican piastres – bearing a clear statement concerning the quality of the metal – he knew as much about the whole business as did any competent person.

He had a great admiration for the Bank, which had succeeded in obtaining control over most of the money in the country, though not one man felt himself any the poorer for having left his wealth in the hands of that institution. It was not long before he was faced, as many men had been faced before him, by the question to which no one had found the answer. Did the Bank actually hold, in accordance with the long and firmly held belief, and really keep the money placed in its hands? Was there solid gold and silver locked away in its treasure-store, the equivalent of the paper money circulated by the Bank? Or did the Bank use its funds, and the ten florins paid as a fee by each merchant upon starting an account, profitably in other directions outside?

It was in the uncertainty upon this one point which had never been altogether cleared up that the only remaining but very profound secret of the Bank rested. Law made up his mind to exert to the utmost his natural cuteness and charm of manner in order to discover it.

In this matter the Resident could be of no possible use to him, for the young man already knew more about it

than he. Law now wished to get into touch again with Merkus. He was not simple enough to suppose that Merkus was in possession of the secret, but he rightly thought that in his company he might be led into conversations capable of guiding him in his researches.

One Sunday, when from sheer idleness he had gone to watch the skating on the Amstel, and he was depressed at the sight of the heavy gaiety of the topers collected in the tents erected on the ice, he caught sight of a man very easily seen from a distance. Merkus was walking, in silence, at the side of a blue sledge occupied by a tall, stout lady wrapped up in furs. As soon as he saw the Scotsman the banker exhibited his overwhelming joy without saying more than two words: 'Mr. Law.' The recollection of Captain Clinch's city with its streets paved with gold prolonged for quite ten minutes their pleasure at the meeting, in which Mrs. Merkus shared by smiling, but the huge Dutchman did not leave his fellow-traveller without fixing upon a day when he would entertain him at his own house.

Surrounded with brightly polished furniture, gleaming copper pans, a number of curiosities from India, and facing a large decorated stove, Mrs. Merkus was seated in her own place and delighted to see him. She was very stout, and had beautiful arms, which looked as if they might easily burst her sleeves, and superb mild eyes. Her cheeks were ruddy and high-coloured.

John, whose heart had had a little repose since he came to Amsterdam from his London adventures, would have felt that he was losing prestige if he had not at once attacked the lady with a bold glance, which he made the

more expressive by means of the caressing qualities in his charming voice. The lady, who was placidity itself, never faltered. Law was astounded. The astonished fellow had read nothing of Saint-Evremond: otherwise he would not have been ignorant of the fact that if Dutch girls are very easy of approach after they are married, in this they resemble Lucrece. Madame Merkus was following the laws of the country. Law did not understand it at all. Refusing to be defeated he then returned to the attack. He had gained a footing in the house with the fixed determination of worming out for himself the Bank secret, and while he was about it he wished to conquer the sturdy Dutchwoman – for he resembled Don Juan in sparing no pains for his own advantage. On the one hand his intelligence was paramount, but on the other he was forced by the need of action. And both his intelligence and the need for action were closely combined in his thoughts. The prospect of some gratification of his senses formed the requisite spur to the attainment of his object, which was otherwise rather difficult. The financiers and the business men whom Merkus invited to his house were certainly not always very entertaining: but nevertheless this did not hinder them from laughing long and loud when they heard of the Scotsman's ideas.

Did the Bank hold cash? Yes: that was obviously so. The four burgomasters in office were changed annually; these four received the treasure upon oath after they had looked at it and compared it with the record handed over by their predecessors. This method of rotation was a guarantee against any sort of trickery; so satisfactory was it, in fact, that for nearly a hundred years, and in spite of numerous political upheavals, never had any man once

been able to accuse his predecessors of dishonesty in management.

Law was not convinced. The voices trying to convince him grew more and more insistent, and gave him accounts of incidents which no one could possibly contradict.

For instance, when the King of France was at Utrecht in 1672, and the money was withdrawn from the strong boxes at the Bank, anybody could see for himself coins that showed that they had been burnt, for the Town Hall had been burnt down soon after the Bank was started.

'Very well,' said Law, 'let us admit that the Bank *does* retain the cash placed in her hands – though, mind you, I still doubt it. What is there to stop the Bank from opening up sham banking enterprises, as she easily could do, considering the confidence she enjoys, in the same way as the Dutch East India Company has done, or other large bodies? Her credit would allow it.'

And he added with extraordinary audacity: 'If she does not do so she could do so, and she *ought* to do so.'

The listeners were completely taken aback at the air of authority with which the young man had uttered these last words. For there was not one man among them who did recollect having quite recently explained – after they had been drinking – the mechanism of exchange in relation to the rise in price of money and other such things to this inquisitive, idle fellow, who had only with great difficulty recognized that a *louis d'or*, old *or* new, was worth more in Amsterdam than a *new* louis d'or could fetch in Paris.

Now there was that same fellow criticizing as familiarly as you please the management of their Bank – which was deserving of nothing but respect. Really, he

was going too far. . . . And this was by no means the first time, either.

Being vastly proud of having reaped the heritage of the Venetians and the Portuguese, of being the owners of the most active fleet of trading vessels in the world, and of being the masters of the great Dutch East India Company, these wealthy merchants did not at all care to hear this impertinent Scotsman suggest that their prosperity depended upon faulty proceedings and the neglect on the part of other great nations in trade. They would have preferred to have him praise their genius, as he politely did on other occasions when he had extolled the wisdom possessed by a country, lacking a fertile soil as Holland did, in founding business, immense undertakings they were, which provided for all needs, rich manufactured goods to be sold to other countries, building materials, and a tremendous wealth in money of which the greatest power lay in its cheapness.

Merkus, who did not say as much as all that in the course of a year, saw plainly enough that his friend reasoned badly, but expressed himself admirably. Everybody liked the young man very much so long as he took no share in conversations which were entirely out of his reach. His most enthusiastic admirer was old Merkus, very much unlike his son and rather too much of a talker. With a napkin tied round his neck and holding up his knife, he would hold forth as soon as the pastry was brought to the table, and always made the same gloomy remarks:

'At that time I was ten years old – I can remember it very well – the world was mad. They were buying and selling tulip-bulbs in all countries, and at absurd prices.

People disposed of their estates, their houses, their horses, and anything they possessed to acquire them. Everything was done by contract. Men were ruined through tulips which the broker, the seller, and the buyer would *never* have a chance of touching. It was simply a frenzied speculation. Everybody was making money. Oh, yes, the Golden Age had come. But then, suddenly, everybody was losing money. Meetings were held so that it could be explained to the people who were steadily losing their money that they were really still gaining. But somehow no one had confidence in the orators: the country was in a state of complete misery. That was called tulip-mania. I vowed that I should not die without recounting once at least what I saw in my childhood – when everybody went crazy.'

Because this was the thousandth time that the old man had told the story nobody heeded it – except Law. But he, filled as he always was with matters of the imagination, saw in his mind the whole nation turned into frantic speculators, indulging in tulip stakes just as he might play for a guinea. The old man did not need to tell all he knew. Men as clever as he, if they were then in existence, had most certainly grown rich and remained rich. Leaning his elbow on the table, his nostrils slightly quivering and his eyes glowing, he was dreamily stroking, almost as a woman might do, the lace which adorned his throat. At that moment he was so extraordinarily attractive that Madame Merkus was struck by him, and her bosom swelled so that she was nearly suffocated with joy.

Law noticed what had happened, and decided that when they should chance to be alone, and by dint of careful calculation he caught her with her bosom heaving as he

had now seen it do, he would throw his arm round this goddess's neck and kiss her on the mouth.

All this he was able to carry out towards the middle of June. It was on the day when she had asked him whether the ring he wore upon his finger was a gift. At the mention of the mere word *princess* the bosom of Madame Merkus had risen to the required pitch.

A day later she gave in to all his wishes.

She was passionately in love with him, the poor Lucrece. It was so hard for her to conceal her happiness from her husband that she kept nothing back from John, who, as she said, 'was prettier than a girl.' Then Madame Merkus announced to her lover that on August 27th Namur had been seized by King William. That was the first time that a marshal of France had ever given a city, which was under his protection, into the hands of a victorious enemy. If Europe trembled, it would be from stupor rather than from joy. Law received this blow while he was still lying in bed; but he quickly sprang up in haste to go and give the astonishing news to the Resident. On her knees Madame Merkus implored him to do nothing of the kind: if he did she would at once kill herself with a dagger in the very room they were in. He stared at her, stupefied and not knowing what she said. Then she went on to tell him that Merkus had men in every capital who sent him information on every change affecting money matters. That was altogether common knowledge. But there was one thing which was not common knowledge, and that was that Merkus had similar men, also in his pay, who supplied such items of news from the army. 'I don't know why it is,' said the good lady in perfect good faith. 'All I know is that not a word must be said about it.'

John was not such a simpleton. He dressed as quickly as he could, took the carefully-kept guineas out of the secret drawer in his chest and hurried straight to the Bourse, and did on a small scale for himself just what the banker was doing on a large scale.

As he went by Merkus's offices he noticed an overheated horse tied up outside.

Law had secured the Bank secret, which he had so much desired to extract from the worthy Merkus, unaided. But had he really found it out? Ah! well, what does that matter? He believed that he had. Next, he was to make use of that worthy fellow's wife in order to build up for himself another fortune, one which he was not going to squander as he had squandered the other. Without money what was there in the shape of a large undertaking that he could do? With inexhaustible patience all the information that his mistress could furnish was duly wormed out of her, and as truly turned to good account.

Henceforth he was to be seen every day under the arches of the Bourse, which was in all truth a Tower of Babel, where men of all nations, except Frenchmen, were found. For the Protestants hounded out of France, and who were congregated in large numbers in Amsterdam, could not reasonably be considered Frenchmen, though in that city they were made much of.

The Scotsman specially noticed, for his own guidance, the intrigues carried on by the various emissaries of Merkus whose names the faithless wife had given to him. These emissaries made their appearance and looked cheerful or dismal – just as it happened – bringing in their bits of news, good or bad, as the case might be: but

it was invariably false news. Law for his own part did not remain idle, but was in communication with William, his favourite brother, and the one who had lately set up in London as a banker.

The continent of Europe now became for him merely one vast 'green cloth,' upon which he caused his money to roll from one capital to another. The slightest variation in the money market upset him. As soon as he heard of any such thing he would send into the country suffering from that form of money sickness a quantity of specie at 5 per cent. or more, which he sold, and then immediately bought in again before a further fluctuation could affect them. In this way he speculated upon all the State revenues. Particularly during the winter of 1697, when peace was made between France and England, for he realized tremendous profits through having been kept in touch day by day with all the intricate discussions which preceded the actual signature of the peace.

If he ran short of funds, one evening spent at faro or basset put that right. But what about the Resident, who had forbidden all gambling? Law merely laughed at such prohibitions, for a man who has plenty of money in the bank is never sent to prison, or, if he is, no one ever reminds him of it.

He would have been perfectly happy if Madame Merkus had not made herself so troublesome to him. For some time past she had had a habit of weeping copiously because John would not swear that he would marry her if her husband died. As a matter of fact, poor Merkus was not in very good health, and the doctor had lately stopped him from taking champagne owing to the harmful fermentation produced by its acidity.

'He was so very fond of it,' lamented Madame Merkus. 'When he is no longer here I shall make you so comfortable. You are nearly a rich man. You shall be richer still. Do you know how much money he has on his banking account?'

John persuaded her to be silent. To have nothing but this woman, and this city for ever! No! he would rather be a poor man again! With such a brain as his, and it had gained much in Holland, he needed no one at all to make him a rich man either in this country or elsewhere, more particularly elsewhere. He was now in a hurry to leave this country where he had lived for the last four years, or very nearly as much, deprived of the gallant escapades which were so greatly to his liking.

Although the time of year was not very favourable for a sea-voyage, he suddenly made up his mind to embark on a good vessel which was going to sail to Genoa, and he reckoned that he would arrive in the nick of time for the carnival which began at Christmas.

On the day of his departure – and his departure was more like flight than departure – a manservant from Merkus's came running to the house where he was living to bring him a letter. He was ready to leave the house and he read the note by the light of a lantern.

'Come at once. He is in the agony of death.'

Alas! It was too late. The wind was rising, and besides the carriage was waiting for him.

But as the horses trotted down to the quay that foggy night he could not help sighing as he remarked to himself:

'Poor thing, she will lose us both at once.'

These were the last words he uttered in Amsterdam, to which city he was destined never to return.

§3

ITALY: FIRST VISIT

The leanings which Law had always had in the direction of acts of gallantry, and which had been more or less in abeyance while he was in Amsterdam, were aroused again in him the moment he put foot in Italy.

On the whole the Scot behaved pretty well in Genoa, where he stayed for but a short time, merely to do one important piece of business: namely, to attach to himself the services of the man who had been Merkus's correspondent, and who was now without employment.

This arrangement being made, Law went and ordered the innkeeper to have ready for him on the following day a post-chaise mounted on springs. He then immediately engaged a courier, after the fashion of the English, who, on the Continent, cannot get on without one. This courier was a Frenchman named Picard, and, like many of his fellow-countrymen, he was a very shrewd person. He very quickly secured for his new master two lackeys, for Law was anxious to make his appearance in Venice in fairly handsome style.

The journey was not dull in spite of the bad roads and the want of lighting in the towns, which indeed was produced only by the lights placed where there happened to be a figure of the Virgin Mary. But in Italy, where people did not make troubles of trifles, everything went gaily. Above all nations Italy is the *singing* nation. Music

seemed to be the only occupation of the people they came across, whose good-humour put those they met in a similar good-humour. At every place where they stopped to make a change of horses, Law charmed all who saw him by the elegance of his conversation and the gentleness of his manners. He found everywhere a girl willing to spend the night with him in return for the gift of a cap. Such appeared to be the price of 'love' in the little towns they passed through.

The inn at Padua where he put up was crowded by numbers of foreigners who had come to spend the carnival there, and in the courtyard, where coaches were too closely placed together, footmen and lackeys were interchanging insults and squabbling loudly. The masters took part in the foolish disputes, swords gleamed, women fainted, and the host was furious. All this noise and disorder delighted John Law. Such a sight, alas! was never to be seen in Amsterdam. It cheered him so much that, while they were crossing the lagoon, it seemed to him only kind to get into conversation with a German count who had travelled with him on the voyage, and whose gloomy face was depressing in the midst of such lively people. The count had lost his courier (a native of the Thirteen Cantons and a perfect fool), and he did not know where to find accommodation in Venice.

Law, anxious as ever to be polite, said that his man would manage to engage an extra room for him.

St. Mark's Square, presenting the finest view when seen from the sea, was now before the eyes of the travellers, who now had in front of them the armed galley always in readiness for defence of the city and upon which young slaves were trained to row.

Picard was waiting for his master on the quay. He took the two new friends to an inn, and as soon as they had had some refreshment they went out to stroll together in the little brick-paved streets, which are intersected by bridges and which cut up the city in such a complicated manner. Everybody who passed them was wearing a white mask, the women selling vegetables and even mothers suckling infants – they all wore masks.

There was not a sign of laughter anywhere. Serious and almost sulky men went their various ways in silence, their hands laid on their daggers. They were wearing long cloaks which came down to below the knee, a cape to go round the head and shoulders, and plumed hats. Women of all classes the same were clad in their everyday clothes, except for the masks. They had the *zendoletto* twisted round them, covering their hair, and tied round their waists. Some of the old women, clinging to old fashions, had on shoes with immensely high heels, even two feet high. These ladies got along very slowly, as they had to lean on the shoulders of two maids. It was no use trying to overtake them.

When they had walked a long way Law and his companion went into a shop where all kinds of trash were sold, and bought the masks they would be obliged to put on. Their appearance was little altered, however, for the Scotsman was just as handsome as before, and the count looked no less coarse.

By the time they came out of the shop the sun was setting, and it was the hour at which masquers make their way to St. Mark's Square and hold their rendezvous.

They had considerable difficulty in forcing their way through the dense crowd on the Slaves' Quay collected in front of the theatre of the marionettes, the showman

with performing canaries, and the quacks who found this a place where they could sell their cures for stomach-aches as well as pomades guaranteed to spirit away all sign of wrinkles on old faces. Jostled, and sometimes pushed back, they managed to make their way through and avoid the masses of silent masked men, who smelt very strongly of wine. And it was when they were half-way across the Piazzetta that they were met by a crowd coming from the opposite direction and from some distance, caused by the afflux of people coming from the Merceria. At last they were in the Square, and found that the women they met there did not mind being stared at; they had beautiful hair, curly, ornamented with jewels, birds, flowers, and even with fruit. And at every moment they would alter the position of their masks in reply to the glances of the men, whose clever fingers had a language all their own as they ran them round their own masks.

Law threaded his way through the various couples in order to get near one couple especially, and all the time he was closely followed by the count, who grumbled that people kept treading on his toes. The very pretty girl who had attracted Law was walking daintily and coquettishly by the side of an old, painted, powdered, and carefully bewigged man, who was greatly amused to see the glances cast by the young man at the charming lady. 'Should you like me to ask him to supper?' said he to the girl, who was being thus 'annoyed.'

'Morals in this place are appalling,' remarked the count, who was otherwise delighted to be spared in this way the cost of a meal.

A gondola took the whole party to the easy-going old gentleman's palace. The host's name was Badouari, and

it was inscribed in the Golden Book of Venice: and in the vestibule, hung with trophies of the chase, there was a vast assembly of people awaiting them when they arrived at the palace. They ascended the magnificent staircase and went towards an immense dining-hall with a plaster ceiling made to resemble a pavilion in shape, and which bore on it some of the work of Veronese. The beauty of the furniture charmed Law no less, and he would have much liked to look more closely into the great mirrors with oval frames, the carved tables, and the cupboards with decorative panels.

People were chattering together in groups.

'Lucia Canaletto,' whispered the courtesan to the Scotsman, who very much wanted to know her name.

Old Badouari apologized that the supper should be such a poor one. And indeed it was of the simplest kind, for there were only thirty-three courses. As each dish was served the guests changed to another table, and for their amusement while this was being done there were clowns, dancers with tambourines, and a man who made angry dogs fight.

Towards the end of supper the Canaletto took one of the dancing girls on to her knee and laughed childishly at what she whispered into her ear, and it was when most of the guests were beginning to get drunk that she suggested that those who liked might go to the comedy.

It was here that the leading families of Venice, such as the Barozzi, the Morosini, the Contarini – and they all had distinguished friends with them – occupied boxes not far from Badouari's, and amused themselves, not without solemnity, by spitting down on to the people in the pit. The latter protested and young bloods were compelled to go down and thrash some of the insolent fellows. The

son of a former Doge, who had won a prize for his remarkable strength, injured one man on the thigh. At last archers came and took away those who had been most hurt.

'And now, let us go off to the gaming-tables,' shouted out the vigorous hero of the evening.

A joyous gleam appeared in Law's eyes.

'Shall we go?' he asked Lucia.

She gave him a kiss in answer – and one to the old man too.

'Yes! to the gaming-tables!' she repeated. 'Let us go to those in St. Mark's Square.'

They went on foot, and away in the distance, down the narrow street where the thick crowd was surging, shone a lantern wreathed with flowers, and this was the sign to show that in that house there was being held a public ball open to the masquers.

'Let's go in,' said Lucia, and they went across a room magnificently furnished into the one where the dancing was going on. Here the musicians had just stopped playing as the master of the house walked among the throng with his hand held out for coins to be dropped into it. Then the music began again, and John danced a chaconne and another dance with Lucia, who for pity's sake gave one to the count as well, after which they started off for St. Mark's Square once more.

The moment Law put his foot inside the famous haunt of gamblers, and it was well known from one end of Europe to the other, ke knew that he had seen nothing else so fine in Venice.

The whole expanse of the room with its numbers of tables closely placed together was like one green carpet

streaming with gold. Everybody hobnobbed there, members of the Senate and tradesmen, ladies in the very highest class of society and the humblest women of the streets. There were 'knights of industry' as well as knights in the ordinary sense of the word, an *abbé* who could officiate at mass and an *abbé* who had no such rights. It was the common meeting-place for pickpockets from all parts of the world, and all of whom, as a matter of course, were the bearers of shadowy titles, and among the lowest of them were men who had formerly been Ministers of State in Corsica, a military intendant in France, a General in Morocco, a Prince in Denmark, a Colonel in Spain, an Ambassador in Turkey – but mischievous idler everywhere.

But Law had no dislike for such people; quite the contrary, and, taking Lucia by the hand, he looked for seats in this dazzling company. The count had just been taken off by an old friend whom he had never seen before. A clumsy footman let drop a tray loaded with liqueurs and ices on to the back of the old Badouari as he was carrying them round to the players.

The bankers all the time were shouting out:

'Show your cards better than that, sir.' 'Madame, play yours.' 'It would neither win nor lose – we should never show our cards even if we had a million. It is a pure loss for you just as it is for me.'

The players called out louder and louder, claiming money, giving orders, and complaining.

'Pay that to me! That's mine! Revenge on the seven. Give me fifteen and *paroli* from the others on the king. *Paroli* again. We are quits. Good Lord! it's a devil of a game. Knave and knave, again. That is what I simply

cannot endure. I would rather let the Bank win altogether than half – like that.'

'A hundred sequins on the nine,' announced Law. 'A thousand on the king. Hullo, you over there, if you drop cards my money shall not go into your purse. Pay here, and pick that up. *Paroli*, five hundred on the queen. Here again. Yes, and that!'

He was winning largely, but remained all the time imperturbable, and whispered now and again a word or two to his companion: 'Where shall we go and sleep? *Paroli* again. At my house or at yours?'

'Wherever you like.'

'Let us go quickly,' said he. 'Just one moment. Fifteen hundred on the queen. Here, yes. How you do please me! Do lift up your mask.'

'All in good time,' answered Lucia with a laugh.

They got away and contrived to miss the throng. Near the door they passed close by the count, who was surrounded by three tricksters.

'I have never been to Copenhagen,' he assured them.

'I said Copenhagen, but that was a mere slip of my tongue. I meant to say Vienna.'

'That is a different thing. As a matter of fact, I lived in Vienna for a long time.'

They lived in a small palace. He deceived her, and she deceived him, but they adored one another none the less. As a mistress he had the dancer who had behaved so coaxingly towards the Canaletto at supper. She was slight, rather strange, and always elusive. She got away for three consecutive days and nights to go and shut herself up with some old ladies of the nobility who spared no efforts

in trying to get hold of any scraps of scandalous gossip and secret goings-on in Venice. She once very kindly took him to see one of those high-born ladies whose boredom was certainly greater than her pride. But really the unfortunate lady could scarcely do otherwise. She used to spend four hours in dressing herself, and then go and leave visiting-cards decorated with mythological designs at the houses of her friends. That was her existence.

He was in love with a singer at the theatre of San Angelo over whom twenty Englishmen had been quite crazy. She could not read, did not understand anything at all, she could say yes and no, and laugh, and received every morning the great musical animal called the *Master*.

But Law did more than merely fritter his time away in Venice, where he remained so long; he frequented noble society. To keep in the society of very young women he found was a good way of getting into touch with Senators and such people.

Law learned a great deal at their houses. It was said that a main topic of their conversation was the *banco del Giro*. This was what Amsterdam had copied, though they suppressed the use of cash on their cash accounts such as was in use here. He was quickly convinced, upon looking into balance-sheets, that the Venetians were right. He was in favour of the Republic borrowing from the Bank, in the event of war, rather than that taxes should be laid upon her citizens. He questioned the Senators as to the methods the Venetians used in carrying on their trade. He was attentive, and he listened to all that was said carefully, but at the same time he turned over everything in his own mind.

'It may be a good thing,' was how he expressed his

opinion when he learnt how the State here intervened both in trade and in the Bank.

He saw things very clearly. It did not escape him that the discovery of America had been a blow at the very heart of Venice, and that not one of her citizens could be in any doubt about it.

'She is in the throes of death, very charmingly it is true, but nevertheless she is dying.'

He would have liked to say this to Sylvestre Valieri, though in more guarded words. But as his friends were aware of this, they got out of his way whenever he asked them to introduce him to the Doge. The only thing to do was to entertain him with useless talk, but he kept in readiness to find some means of carrying out his intention. His natural generosity made him inclined to promote the happiness of others, and just as one man gives alms to the poor, he proposed to place his ability and brains at the disposal of the Republic, simply for the pleasure of helping her, and require nothing in return. But the Senators were wanting in foresight, and were content to say over and over again, puffed up with pride, 'We have such wealth.'

At last Law left Venice, with regret; for one cannot leave it otherwise. He was in Florence, which he found a sad place, where people went to the theatre merely for the purpose of saving their candles. The Bank took up the whole of his attention during the few days he was there, and which he spent in the company of Merkus's former agent. Between them they brought off a small transaction at the Bourse.

Later he went to Rome, and there was no doubt about

it, he did indeed find the lands of the Pope delightful. There were twenty-four theatres, and these alone provided a considerable number of singers and dancing girls. How charming it was to go and have supper at the country inns and sit under the trailing vines. He always had to take a pistol on account of the brigands they met on the way back. But he found that the brigands were in league with lovers, and it was thanks to them that frightened women in the coaches yielded at once without delay.

He also visited Naples. He much admired the theatres, and considered San Carlo the finest monument in Italy. The walls were hung with mirrors, in which were reflected eight hundred torchlights. But naturally it was the Bank which absorbed his attention, and he bewailed the fact that stupid Spanish tyranny should leave such a beautiful country as that without roads, without trade, and without industry.

Law had met in all the towns he had gone through a great many people of high standing, who had been immensely charmed by the affability of his manners. He had benefited very much by gambling, and perhaps even still more from other people's conversation, for he was, by nature, something of a spy. He very easily contrived to secure a letter of introduction, and knew just exactly how to get himself in amongst the most useful people. His self-assurance and the grace of his bearing were enough to guarantee his position afterwards in their favour. The country itself delighted him. It was the blessed country for basset and for love-making. It was here possible to combine pleasure and the art of making a large fortune. He had had only one piece of really bad luck in Italy, and that was the German count. The latter

had been fleeced by his so-called friends on that first night in Venice, and had managed to keep nothing but his watch. He had even left Law to settle the bill at the inn. Law would have expected him to have more delicate feelings.

Late in the summer of 1700 Law went back to Genoa, his memory filled with tender recollections, to turn his energies in the direction of doing some profitable business with the public funds there. His correspondent was one of the most prominent men, and it might be possible to do great things with him. And he was thus engaged when he received a long letter from William.

Their mother was growing old and wished to see John again. His absence abroad also made matters concerning the question of the inheritance very difficult. On this score anything might be feared from Andrew. Andrew, the goldsmith, was becoming very rich simply because everything was going badly in Scotland. The poor Bank! And as for the Darien Scheme . . . what a failure that had been. Everybody was more or less ruined through it. 'If only this unfortunate country had had one man like you!' said the younger brother longingly, and full of admiration for John.

There was some sense in talking as his brother had done. Law quickly made up his mind. His native land really was in need of an expert in financial matters to go and put things right. He knew no one better fitted for this than he himself. Therefore he must at once fly to his country's aid.

A fortnight later the clever Scotsman, on board a trading vessel, was going through the Straits of Gibraltar,

but he saw nothing of the coasts of Spain or of Morocco. He was seated in the cabin at a table covered with papers, and he was studiously turning over one by one the notes he had been collecting in Holland and Italy for more than five years.

§4

HOME

It was late in the evening. Rain had been falling and the streets in Edinburgh were deep in mud which gleamed with reflections from the little lanterns hanging out from the corners of houses.

In a comfortable dwelling in the Lawnmarket a handsome and distinguished-looking old lady was seated, reading a letter from her son by the light of a wood-fire.

'I have just arrived in London,' he wrote, 'and I am staying with William. He didn't recognize me at first, for you see it is nine years since we met.'

She went on dreamily to herself: 'As for me, the last time I saw him was in London. That was in February 1692. And now it is November the 15th, 1700. So that is nearly nine years too. I shall be able to recognize him at any time, no matter where. Provided that living abroad so long has not altered him. He was so handsome – and had such high spirits. Certainly he gambled to excess, and he was rather a libertine – yes, very much so, indeed far too wild.' But to-night her heart was too happy to allow her to recall the old reproaches. He was coming home. The servants were keeping huge fires alight in his room upstairs to get the walls dry.

The door was opened in the gloom. 'Ah! and there you are!'

The old lady had risen from her chair and was trembling

with joy. John put his arms round her, and all there was to be heard was 'Mother!'

'John! John!' said Mrs. Law again. 'Now let me look at you. You are still the same, but you have perhaps just a touch more of authority in your bearing and in your eyes: and it suits you very well. But you must sit down.'

He threw his cloak on one side and sat down.

As he sat looking into his mother's eyes he smiled with tenderness.

On the following day he went to call on all the members of the family, accompanied by his two younger sisters and the two youngest boys, who were still living at home in their mother's house: Janet, Lilias, Robert, and Hugh. He saw Agnes and his brother-in-law Hamilton, who were bemoaning that they had no children. He had some lively games with the little daughter of Jane, whose stolid husband, John Hay of Latham, bored him thoroughly. And for the sake of teasing Andrew, who had become a wealthy goldsmith, he apologized for not having been able to attend his wedding with the pretty Bethia in January 1695 by saying that he was at that time 'only just out of prison, and rocking on the waves of the ocean,' and then, leaning over his niece Jane, he said:

'How very much like you she is, Bethia. I knew you, too, when you were three years old.'

'Do you intend to settle down here in Edinburgh?' asked the goldsmith, looking somewhat gloomy.

'Yes. I am tired of travelling about the world, and this country has need of some one who will really look after it. Everything must be put in order. That is what I shall undertake to do.'

'It was you we were all waiting for,' said his brother with a sneer, and went out of the room.

'You have married a fool,' whispered John to Bethia. 'And I used to love you in the old days.'

'You went right away: and besides you used to love so many girls.'

When Law found himself once again outside he wondered: 'Is it true that I ever loved her? . . . No. It was she who was so fond of me.'

He was driven over to Lauriston, and on his way there peasants and workers looked at him with hatred in their glance. There were certain among them who followed the carriage and stretched out their hands for money. Before John had time to say a word farmers told him, and they seemed to be threatening him, that they would never pay more. 'I ask nothing of you,' rejoined the landowner nobly. This mollified them, and one of them told him how works were being closed, and that the end of it would be a revolt among the people.

John, anxious as ever to pick up information, spent a few days in Andrew's shop in order to hear what proposals tradesmen had in mind. There was not one among them who had not bought shares in the Darien Scheme – now absolutely worthless. And everybody bewailed his own simplicity and cursed Paterson.

Once again John saw the worthy man who, in London, had turned him out of his office. When the Bank of England was actually founded Paterson had conceived the idea of colonizing the Isthmus of Darien, and created the Scottish Company of Africa and India. This project had been looked upon askance by England and Holland,

so nothing else was to be done but for boundless enthusiasm to be raised in Scotland. As a result the earliest pioneers set off in the midst of cheering crowds. Very soon news was received that two towns had been founded in Darien, which in future was to be called New Caledonia. But in a short time afterwards, the still-born empire sank into a miserable state of anarchy. In the hope of saving his work Paterson, as other conquerors had been known to do before him, set out himself at the head of a handful of young hotheads, who, needless to say, were killed off as soon as they landed by the Spanish forces at one encounter. The unfortunate fellow had returned to Edinburgh the year before this, having lost all he had, including his wits.

This mishap had caused countless further mishaps in various directions. Paper-money issued by the company and profusely distributed, competing with bills, caused the Bank at first to lose ground. County branches were wound up. The finish up of the whole affair brought still worse troubles. The Bank had been obliged to call upon a new portion of her capital, and after that she had to drag on a miserable existence for some time. To cap it all the offices had had a fire in the previous February.

Law was indignant that the credit of a Bank should have been so stupidly compromised, for, according to him, the Bank of Scotland was more solid than the Bank of England by reason of the fact that it had a register, in which the greater number of loans were insured.

The sights to be seen all around him were heart-breaking. Manufacturers were no longer exporting their goods; land-rents were not being paid; houses in towns as well as country farms were left to be kept up by the owners;

English and foreign money was preferred to the Scottish; money was leaving the country, for it was more profitable in the East and West: two hundred thousand poor people were crying out for bread.

He recollected that there was not one poor person in Holland, and that the Venetian Republic had only about three hundred. Here was this starving population trying to get out of the country, except when it was pillaging in the out-of-the-way small towns. Something must be done to prevent them. 'The strength and wealth of a nation are shown in a numerous population as well as by well-filled warehouses with their stocks of foreign and native goods,' said he.

Law would very soon have carried out a project capable of extricating his country from the dreadful state she was in and at the same time proving to Paterson – if God restored the poor man to his senses! – that the young man from London, faithful to his promise, was indeed the very man to rectify the mistakes made by the founder of the Bank of England. On December 31st, 1700, his work was done.

He was demanding, by Act of Parliament, the immediate formation of a Council of Trade, which should have at its disposal a fund composed of the estates and revenues of bishops, of all gifts made in the form of charity, the tenth of the value of all grain grown in the country, a twentieth part of all sums collected in the courts of law, and the fortieth part of all inheritances whether in the shape of legacy money or by the sale of land.

In his opinion this revenue would serve to develop trade, fisheries, and manufactures generally. Still further, Law had in mind asylums for the poor, such as he had

seen in Amsterdam, and the purchase of everything required in carrying on such work. The Council was to undertake the making of roads and bridges, and to deepen and control the ports. The originator of the idea wished in effect to have monopolies in his own hands, and also have the right to regulate weights and measures, to punish fraudulent bankrupts, to liberate honest debtors, to seize all vagabonds and beggars, and to decide the raising of taxes on imports and exports. Law had not the slightest doubt that these measures would very soon bear fruit.

No attention was paid to him, and Parliament laid the proposal aside. He had it printed and distributed it liberally. Although the pamphlet appeared without it, his name got about, and His Grace the Duke of Argyll, in some way distantly related to him, wished to become acquainted with him. The Duke was a man of great abilities, of an independent mind, and very energetic. He was the leader of a set of thirty or so men with their own ideas in the Scottish Parliament who went by the name of the *Squadrone Volante*, for they would not join with any other party.

As a result Law became acquainted with all the gentlemen belonging to this political set, and with some of them he became intimate: these were the Marquis of Lorne and Lord Archibald Campbell, who were sons of the Duke, the Marquis of Tweeddale, the Earls of Rothes, Haddington, and Roxburgh.

John saw them all frequently, and dined and gambled in their company. Together they eagerly discussed Scottish affairs. The newcomer among them, whose strong point certainly was not his modesty, in spite of his reserved manner, was always complaining about the want

of knowledge on the part of Parliament and the public, too, in whatever related to trade. He promised to enlighten them in this matter and told much, not always with discretion, concerning what he had seen in Holland, when he was travelling, and from the results of his own researches. The members of the *Squadrone Volante* were so carried away by his eloquence and the extent and clearness of his mind that they encouraged him to publish his ideas. Law agreed to do this, and henceforth half his time was devoted to study and half was given up to speculation.

With this object in view he very often journeyed to London, where in Change Alley he turned to account the various scraps of news he received from his correspondents abroad. One afternoon he came up against Blunt in the crowd – Blunt who still went about in his queer hypocritical way. It was without any pleasure or surprise that this former lawyer's clerk met his detested friend, and after two or three words concerning the shameless morals of the day he hurriedly quitted the Scotsman.

Law's journeys to London were more and more frequent, and in the spring of 1701 he mentioned to his mother that he was married and that his wife would be with them within a few days. As soon as he had said this he corrected himself.

'I am getting married, that is to say, I have been married for the last month.'

John looked rather embarrassed as he spoke.

'Do you mean that you are really married?' asked Jane Law, still feeling uncertain.

'She is of good family,' he answered hastily. 'She was

Catherine Knollys. Her father was Nicholas, the second Earl of Banbury, and he was the great-grandson of Mary Boleyn, the sister of the wife of Henry VIII. She is the widow of a man named Seignior.'

'That is not a very high-sounding name in comparison with the name of the lady of such lofty descent,' remarked his mother with a smile – and she would have smiled still more had she been better acquainted with her daughter-in-law's family connexions.

Nicholas had spent the whole of his short life in trying to prove that he was really the son of his father, which was doubtful, and to gain the inheritance from the older man, William. Catherine, who received an allowance from her brother, a man of extremely wild habits and who had killed his own brother-in-law in a duel, was very glad to become the wife of Mr. Seignior when he luckily made his appearance. Having had no children, she much regretted his death; for this now meant that she lost a large estate. John met her, and in his eyes she was beautiful, for her scornful and arrogant bearing had an overwhelming charm for him: he was eager to quell it. Never had he been so much in love, and he believed that she was equally fond of him.

Jane Law was soon to see a tall, fine woman arrive at her house; she also observed that her majestic and even haughty glance was spoiled by a port-wine mark which covered a part of her cheek.

Exactly eight months after this, and in solitude altogether in keeping with her pride, she gave birth to a son, to whom was given the name of John. The grandmother, who did not approve of Catherine, waited for nearly two years before she made any alterations in her will. The title of Lauriston should go to William Law in the event

of the death of the elder brother. But on April 7th, 1703, she consented to let it go to the little John.

Law turned this occasion to account by asking his mother to allow him access to the documents relating to the estate, under the pretext of wishing to know what the land rents had been in the sixteenth century.

It was at this time that he began to write the *Considerations on Legal Tender and Trade*, with the intention of not only placing his vast knowledge at the disposal of everybody, but also of demonstrating to them the admirable qualities of the *land-money*, a marvellous invention of his hitherto revealed only to the members of the *Squadrone Volante*. Law was thirty-three years old when he brought out this work – though it had not taken long for him to write it, it was produced after long and careful consideration. The eighteen months he spent over it were taken up in instilling the work with the confidence which enlivened his speech, and in arranging his ideas. He succeeded in both objects.

He was a master in the art of convincing the reader, and in this he relied chiefly upon a sequence of logical and reasonable ideas, each of which in turn depended upon some statement absolutely incontestable – or at least a statement which invariably appeared to be so.

Through endless days of toil, spent in turning over every point in his own mind, he was able to find just what was his own definite standpoint among any number of divergent views.

He had read and discussed all the books dealing with his subject. He, the former pupil of those who upheld the mercantile system, now had the whole matter at his fingers' ends and was quite prepared to confront his

teachers on an equal footing. The time had come when he could attack even Locke: formerly he would have been aghast at the very idea of doing any such thing. Well, Locke had had his day. And now there was John Law.

He sat turning over the pages of his favourite authors, and reading through the notes he had made during his stay abroad, and there, in his little room in Edinburgh, gesticulating with his beautiful hands, he seemed to be creating the theory with which he will for ever be identified.

He advanced towards the truth which was already familiar to him with the same certain step which he must persuade the ignorant to take. He felt as sure of himself as he felt able to convince others.

The wealth of a country, that is to say the power of the sovereign, is closely allied (that was held by the mercantilists) with the largest holding of precious metals.

Law's answer to this was: 'Yes and no.'

Law wanted both power retained for the sovereign and well-being for the people generally.

He recognized that legal tender was important, but did not express any opinion upon what the nature of it was. It would not do at all for any man to overlook the example set by Spain. That was a country which possessed gold- and silver-mines and yet did not keep money in the country, simply because her trade was weak and her home manufactures trifling.

Law knew his own value, but he had to make allowance for the low order of intelligence possessed by the public. Before convincing people of the high importance of his ideas he was compelled to instruct them in the very rudiments of them.

For the mere satisfaction of overwhelming the ignorant

with his own superior knowledge he rewrote the first three chapters of his book entirely. And in writing upon the meaning of money he gave a full account of exchange from the age of barter down to the days of coins. With greater skill than that possessed by any novelist he gripped his reader – who was totally unaware of anything of the kind – upon the ever-increasing importance of currency, and in such a way that he was very soon brought over to his own way of thinking.

And he went on explaining. He taught his reader the principles of trade and how trade depends upon money. He went on to elucidate just what part was taken by banks, and he carefully went through the various proceedings the banks used for the purpose of keeping and increasing that money. He knew Amsterdam and London, and he had been in Italy. Soon there would be no one who didn't know all about it.

It now happened that he was just ready to extol the Bank of Scotland, which indeed deserved all possible praise, when events compelled him to lay his pen aside and to rush out into the crowded streets for the latest news.

There had been rumours getting about that specie was to be raised, and consequently people were now making their way in wild anxiety to the Bank to cash with all possible speed the paper money they had in hand.

'Advise the Government to lower it at once,' said Law to the members of the *Squadrone Volante*, 'and then the cause of the run will be got rid of and specie will be brought back again to the Bank. Otherwise all the money will have leaked away.'

Sure enough two days later – December 19th, 1704 – the Treasury was exhausted, the Bank ceased making

any payments, and business houses gave out that they were unable to settle with any of their creditors.

'What is the use of giving people a warning?' remarked Law, who was now indifferent to all complaints and calmly went on with his writing.

It was at this point that he replied to certain men who were against banks for not holding gold and silver in sufficient quantities to meet all bills. These foolish objections Law swept away with the same fearless pen he had used before the tumult had occurred. He himself needed more than that to hinder him from rational thinking.

Once more he had to abandon his work, for he really could not go on quietly indoors. There were too many fools about. Everybody would come to him and bring his speech or his pamphlet, written with the object of procuring for Scotland the wealth of which she now seemed to be totally in want.

'Raise the price of foreign specie and thus attract it to this country,' said one.

'Sheer stupidity! That would not stand any serious investigation,' growled Law.

'Melt down plate,' proposed some one else.

'That would be cowardly,' replied the critic, 'and besides it would lose at least a sixth of its value – which is in its "working."'

And so the number of voices of the people who wished to save Scotland went on increasing.

'Regulate the balance of trade; limit the consumption of foreign goods and the expenditure of our money in England.'

'Issue Treasury-notes on public revenue.'

The author of *Considerations and Proposals to supplement*

the Present Scarcity of Currency suggested that a similar operation should be put into operation in conjunction with the African Trading Company.

'The only thing that will save us,' maintained Dr. Hugh Chamberlen, brandishing in his hand the proof-sheets of *A Proposal for supplying the Nation with Money*, 'is the Land Bank. Yes, we must have the Land Bank.'

Law jumped up from his chair. In a fever of impatience he turned over the pages of the pamphlet, which outlined a scheme for pledging estates and other land property for the duration of twenty-five years and issuing notes at the value of the property.

'That's my idea,' he explained, 'my idea somewhat distorted by a queer fellow who is more fitted to prescribe poultices than to meddle in finance.'

'You are a plagiarist,' shouted the doctor.

'If you continue to be offended at me for being concerned in this matter,' rejoined his younger adversary, 'I can give you the names of people who have been familiar with my project for several years past.'

At once the public took sides: 'The doctor is in the right.' 'No, Mr. Law is right.'

Mr. Law made the doctor sit down, and forced him to read the new edition of his *Considerations*, which its author very soon made complete with his proposal to supply the nation with money. He intended to place the whole matter before Parliament.

He had slightly lost his temper, and he was apt to denounce the evils due to the use of cash, coined money, Blunt might have denounced courtesans. Accordingly e put forward the idea that 'Money was subject to variaon in value even if the sovereign never made its value

change.' For instance, in 1526 the mills which belonged to the city were farmed out at 400 marks. But at the time he was now speaking they produced 13,000 marks.

Therefore the value of money decreases. Not only that, but it runs the risk of losing its additive value. While, on the other hand, land and estates continue to become more and more valuable.

'What I propose to do,' he announced in a penetrating voice, 'is to make a land currency in every way equal in value to the value of the land and to the value of actual coined money, without having any risk of falling in value if money loses its value.'

With charming courage he went even further and said: 'In Holland they give money as a pledge, and paper is used as cash. It is obvious that land as a pledge is far better as value than a money pledge.'

However obvious this was he could not help seeing again in his mind the private cashiers of the Bank at Amsterdam giving out money against certain transactions. Whereas with his loan of money on land securities exchange would be out of the question altogether.

He willingly answered the objection.

'Security given for the first paper money was money: security given a second time, that was land. That money had really nothing to do with gold or with silver than it had to do with other goods.'

Law had expressed it all better when he had said it to the *Squadrone Volante*, but he did not dare write it down. For people are such fools! They would have been alarmed if he had proclaimed exactly what was, as a matter of fact, the truth:

'I have invented a new kind of currency which is

nothing but the old one brought to a state of perfection. What *is* that coin that you are holding in your hand at this moment? It is made of metal, and it bears an impression. What are you now in need of? Cash. I cannot create metal, but I am able to multiply the impression by having it put upon paper. And for my own part I maintain that it is the impression that is the cash. Just reflect! Yesterday when the last of the cash in the Bank of Scotland was paid out there were people who said, "But the bills are still in circulation." I pledge my paper money on land, and I might pledge it upon the wealth contained in the ocean. The ideal method would be to pledge it upon nothing at all. . . . But human beings have not yet reached such an advanced stage that they can accept *confidence* as their only guarantee. You are poor because you have no cash. I am giving you some. My paper currency can be, it must be, always equal to the demand made for it. Thanks to it the inhabitants of this country will have employment, manufactures will be greatly improved, home and foreign trade will be extended, and power and riches will be gained.'

His pen ran on fluently, but he was prudent, and there was, as he went on writing, a smile of triumph upon his handsome face. He gave a magnificent answer to the critics who kept one eye on the scales and the other upon the rates of exchange. And he ended in his own style, which was never overloaded with false modesty such as hypocritical writers always used: 'Among all the other objections which I know against this project there is not one which cannot be completely refuted, and from every direction in which I examine it, I should never, with all the application at my command, be able to find any objection to which it would not be easy to reply.

'But if there do happen to be any errors in the principles which I lay down, and if I have drawn from them any false conclusions, it was not possible for me to recognize it.'

Law sent his work to His Grace the Duke of Argyll, who had recently, in that very year, become Royal Commissary. The *Squadrone Volante* promised to support its friend and the cleverest financier in Scotland.

The correct thing for deliberating assemblies to do was to make all matters under consideration drag on as long as possible. Thus it was only on July the 27th, 1705, at ten o'clock in the morning, that Parliament, which had just met, went into Mr. Law's proposal after it had been formally read at the last session. The second reading had the same result as the first had had. It was rejected after a short discussion devoted to the financial question and which did not, as was usually the case, wander into politics.

In answer to the Duke of Argyll, who kept him informed as to what took place during that deplorable sitting of the House, Law merely said: 'That is the end of Scotland.'

The members of the *Squadrone Volante*, who were not on the side of the majority in the House, were much of the same opinion.

John, as soon as he reached home, and without observing Catherine's smile, wrote off to the serious-minded Addison, whose acquaintance he had made in London, to tell him what had happened and to beg him to interest Godolphin in his schemes, which he offered to go and explain to the minister himself. Addison was fairly intimate with the Lord Treasurer, for it was at his com-

mand that he had published a poem to celebrate Marlborough's victory at Blenheim, and his recent appointment as Commissioner of Appeals must have brought them into still closer contact. The desired interview was easily obtained, but unfortunately Godolphin was not favourably impressed by the proposal for the advance of money on land securities. And on that day the minister was in a hurry to go and see one of his horses race, which was sure to win, so he quickly took leave of his rather talkative visitor.

'You have come a cropper,' Addison told his friend. 'Racing is going against Godolphin just now. But the luck may turn. I will let you know how things go, and then perhaps you will be more fortunate.'

'If he played basset I should take special care to lose the game,' said Law.

'Alas!' answered Addison, 'he cares for nothing but horses and chess.'

During the whole of the last year Law spent in Scotland Godolphin must have done nothing but lose on his horses, for never again did Addison in his letters make any further allusion to an interview with the Lord Treasurer.

Meanwhile, Law had published anonymously – which did not mislead anybody – his *Considerations*, by which men of brains were charmed and which other people did not understand. He also kept in touch all the time with the *Squadrone Volante*, in whose society was discussed the burning question of the day: the Union with England. Government had sent the best pamphleteer in their pay to bring over by means of his pen all the partisans on their side, and this pamphleteer was, as a matter of course,

Defoe. Law was delighted to see once more the former old habitué of the tavern in Piccadilly. The latter did not at first, however, recognize Law, but at last he did and exclaimed, 'Why, of course, you had had a duel. And there was some little fuss made about it, I remember. So now you are back in your own country again, what are you doing?'

Law told him about his great schemes, that he was connected with the Duke of Argyll, and that the *Squadrone Volante* gave him all the support it could muster.

'Take me to see the chief members,' demanded Defoe, 'for they seem fairly well disposed towards England, and I will somehow bring them over on to our side.'

Law loitered near them while Defoe and the others had their discussions, for there was in him something of the instinctive spy, which for the moment was stronger in him than the financier. He already foresaw that there was here a profitable game for him to play, and political ambitions crowded everything else out of his mind. But it was not long before the risks which such a part must entail for him restrained his ardour.

On October the 13th, 1706, Scotland and England were united, and caused public feeling to run high. The whole of the clergy – opponents of the Union – incited their parishioners to rebellion, and on the 23rd of the same month was besieged by a mass of rabble.

The mob had even followed Hamilton when he was leaving the Parliament House, into which it had not been able to enter, and smashed the windows of his carriage. As the moving spirits of all this affray saw him escape, they made their way to the dwelling of Sir Patrick Johnstone, the former Provost, whose house they then

attacked, while the rest of the mob screamed out death-cries along the streets.

All this hideous sight was witnessed from her own windows by Catherine. She was trembling with fright, for John was not at home. He was dining at Lord Loudon's in company with the Duke of Argyll, the Earl of Marr, Secretary of State, the Marquis of Lothian, and a few others. While they were seated at the table they were interrupted by a terrified manservant, who rushed in to tell them what was happening and that the guard was unable to disperse the crowds, which were all the time becoming more numerous and more angry.

By order of the Lord Provost a battalion of Royal Guards was taken out into the city, and at last succeeded in restoring order in the now darkening streets.

Law, who was almost as much alarmed as was Catherine, made use of the interruption by returning home. 'Marr said that we shall all lose our heads in the end,' he told his wife. He made sure of his own: for a week later the whole family started on its way to London. There was a rumour of risings in Glasgow and in other parts of Scotland.

It was quite certain that political battles which might cause bloodshed were not what suited him at all. . . . He preferred to give the whole of his time to making his invention better known. He therefore took up his abode with William, made fresh acquaintances, and renewed his attack upon Godolphin.

'England has not improved to the extent she might have done,' explained Law to the Lord Treasurer, 'if she had increased the amount of her currency. You possess fourteen millions sterling, and you have a similar amount represented in notes. That is not enough. You ought to

double the circulation of notes. You would thereby attract people into the country and develop trade more than ever. If the loan of money upon land security does not altogether appeal to you I shall find you another means. The main point is to make paper money enough to meet any demands for it.'

'I shall think the matter over carefully,' said the timid minister of State.

'That is a man who possesses great financial ability. You should find him a position,' was the advice given by some one to the Lord Treasurer.

Law, who was wont to hold forth at length wherever he went, had convinced a certain number of people, who were astonished by his powers at the gaming-tables and at the promptitude with which he made his calculations.

Godolphin listened to others too. Blunt was one of the others, and he had a better memory than Defoe's. He remembered the sequel to the duel, and the appeal made by Wilson's brother. He started the rumour that Law might easily be put in prison again, so that in a very short time Law no longer dared show himself at the Exchange, and William, out of kindness, persuaded him to flee.

John, greatly hurt, raged against Scotland, against England, against the lack of brains among all these jealous, envious creatures, in short, among these fools.

Law embarked for the Continent at the beginning of 1707, accompanied by his son, aged six, and his wife, who was not at all pleased to leave England. Uncertainty of the future was stronger in Catherine than the love she had for her handsome husband and made her reluctant to go.

Having said farewell to his brother on the quay, John

slipped a letter into his hand. This was addressed to Godolphin, and was to tell him that he was leaving for Brussels, but that he would return at any moment if the Government required him.

This letter was doomed to receive no answer.

§5

BRUSSELS

Upon his arrival in Brussels Law alighted at the Hotel Belle Vue, which was the best in Europe, but he very soon found in a private house accommodation more suited to a gentleman travelling with his family.

It was not his original intention to stop in this city for long. But who can foresee events? He stayed for a whole year.

The anger which had seized him in London against the Scotch and the English who could not understand him quickly subsided, for Law was not the kind of man to be cast down for want of success. The certainty he had of being in the right gave him a strength which no other force could in any way diminish. He was sure of himself; he was sure that any nation that would put his wonderful discovery into operation would reach a state of prosperity hitherto unknown, as he was likewise convinced history would allot to him a place in the foremost rank among universal benefactors. This he told himself again and again with a childlike pride which, however, never let him lose his head.

Without stopping to boast, he scrutinized the whole of Europe to discover which country in it was the most likely to give a favourable reception to his invention, which he had now brought into complete working order. It was for the use of countries possessing large holdings of

specie, and consisted in using that fund of wealth as a guarantee against the issue of notes which, it was intended, were soon to take the place of the existing gold and silver currency. His object being to increase the quantity of cash in circulation, he saw in his mind's eye paper money distributed, more or less according to the need for it, by a State Bank, in which he would work in conjunction with royal authority. He saw even more than that, for in his active mind ideas crowded in upon each other. But the most important matter at that moment was to find the Government willing to make the experiment.

This occupation was no hindrance to him in making money. As a matter of fact, he saw plainly enough that large sums of money would be required in establishing the Bank.

Every morning was spent in business. He attended to his correspondence, sent off his orders, and went through the news of the day. The *Gazetier de Trévoux*, the *Gazette de France*, the *Actes de Leipzig*, and even the *Journal des Savants* had no more faithful reader than John Law. The events then taking place in France were what really most roused his curiosity. Never a day passed but that he received from Bourgeois, his agent in Paris, some useful hints upon points of finance in that country, which in his own opinion was one of those countries most fit to let themselves be guided by him.

The afternoons were spent out of doors. He took Catherine with him along the walks winding round the city with its ancient ramparts. They would return by the Palace and go down to look at the Maze. Was there anything more delightful in Europe? There were to be seen four figures of Cupid throwing water from basins to a

great height, and there was also a wooden four-storied house which had been made in Spain. Deer, herds of them, were to be met in the park, as well as wild goats and tame rams. And to the rams it was the custom to offer them one's snuff-box, for they were very fond of it.

The city was pleasant enough, and new. It had recently been rebuilt, and there were very few traces left anywhere to be seen of the heavy bombardment which it had undergone at the hands of the French, twelve years earlier. The citizens were justly proud of their fine market-place and of their fine old mansions, used now for business purposes. There was a pawnbroker, too, as one might find in Italy, and, as one might find nowhere else at that time, there were buildings for the troops to live in: these were called barracks. However warlike the people of Brussels might be, they were quite friendly with foreigners. They were sometimes perhaps too trustful.

John and Catherine were on the whole perfectly satisfied with the town in which they were. Their only regrets were that comedies were so poorly performed, and that it was so difficult to get into the best society.

The middle-class people were friendly, but the nobility was unapproachable and inclined to be inhospitable. The sight of such abundance was apt to take a stranger by surprise, for he did not know that, in spite of the high-sounding titles which made such a fine show, many of these nobles would have found it difficult to prove their claims to them. They were simply Counts of Hainault, or of Flanders, and Dukes of Brabant and of Guelders. Under Spanish rule they had been called 'Their Excellencies,' but since that time the same men had become known as 'Princes.' Their door-keepers now wore

moustaches – for they had been made into 'Swiss Guards.' Some among these high personages had fine collections of pictures, but it was not often that they would let other people look at them. Foreigners were allowed to be present at certain concerts given for the middle-classes, but they were forbidden to attend those frequented by the nobility. In Mrs. Law's opinion this was not at all as it should be.

Play was high in Brussels, but the players could not be trusted. There were even more adventurers to be found here than there were in Venice. This was the favourite haunt of such people. Idlers who always wanted to find out the why and wherefore of everything said that the reason for it was the following: There was in Brussels one district called the Burghendal where a creditor forfeited his claims against insolvents, where a bankrupt might find asylum, and where any quack was allowed to sell his so-called remedies without fear of any punishment. That was quite enough to attract into the country rogues of every sort and kind, who felt safer there than they did elsewhere. Men of that set won fairly large sums even from Law in the course of two or three games.

On the other hand, it was not enough merely to win at cards; the point was to make the loser pay up. It was not possible for players to carry large amounts of cash about with them, so they signed papers which, by men of honour, would be settled in cash on the following day. Cheats preferred to take refuge in the Burghendal.

The ingenious Law, who had opportunities of reflecting on the inconvenience of these practices, soon observed that the use of his proposed paper money would do away with them at once. Paper money would have the advantage of taking up very little space, so that every man could

carry what he wanted. Also it seemed to Law that men's stupidity was such that automatically they would be less greedy of paper than they were of money. 'One reason the more to use against the detractors of my theory,' said he to himself.

One afternoon as Catherine sat reading and yawning over the *London Gazette*, already a fortnight out of date, a footman came in to tell her that a goldsmith, bringing two very heavy packets, for which he was to be paid, was waiting at the door.

'They are jewels,' she thought.

At that minute John came in, and his wife welcomed him with the amiable smile a lady should give in the circumstances. The footman having spoken again, Law, turning towards the hall, replied, 'I know what it is.'

He soon brought in two high heaps of square gold metal sheets, each of which bore the inscription 'Eighteen Louis.' He smiled at Catherine, who was now angry, and looking at him in surprise.

'These are counters for playing with, "notes." I have them there for a hundred thousand *livres*, which will quite easily go into one bag. Isn't it convenient? No one ever thought of it before! Thanks to this invention of mine there will be no more paper so often signed with a false name and which is never settled at all. My counter has intrinsic value. It bears my name upon the reverse. See here! Whoever gives it is compelled to pay in order to regain it. The one who receives it is sure of getting cash in exchange for it. Isn't it a wonderful thing?'

'Yes, perhaps so, if everybody used it. But as you will be the only one to use it, you will be at the mercy of rogues just as much as you were.'

'You must give me an example of what you mean.'

'That is how you go on wasting your time when you ought to be using it more wisely in starting your Bank – either here in Brussels or elsewhere. The marvels of which you talk so much will never be visible to ordinary mortals.'

'You are greatly mistaken. I intend – if it does not disturb you – to go to Paris without any delay and lay my proposal before the King of France, who is suffering very much from "money sickness." I waited for these counters before setting out. The Frenchman is an inquisitive creature. This last little invention of mine will please and astonish him as well as rouse his wits. The great thing to do in a vast capital such as Paris is not to remain unnoticed, otherwise I should know how to act. Do you agree to my starting off to-morrow? You will stay in Brussels. I shall not be away long, and I shall return for you.'

He called out for a footman, and sent him to order the best post-chaise to be had from the office in the Corn Market.

Law left Brussels early in January 1708. He travelled straight through to Paris, taking his meals and sleeping in the carriage, and only stopping to change horses. All that met his eyes from the windows of his post-chaise struck him with grief and stupor. The country seemed to be deserted and on all sides stretched wide fields lying waste. In the villages the peasants resembled dumb animals with their corpse-like faces and their dull eyes. The towns he drove through with his horses at a trot were funereal and as if the inhabitants' very souls were dead. It was a terrible thing to see the great kingdom of France exhausted by wars and taxation.

The Scotsman was not in the least surprised to find the

capital, which he did not know at all, lacking gaiety. The driver's cries echoed in dark, empty streets and the chaise jolted along on the paving-stones. He was taken to an inn which had been recommended to him, and while he was waiting for his room to be got ready for him he wrote, by the light of a torch, a note to Bourgeois, and called one of the footmen to take it to the latter's address at seven o'clock. Then he went to bed.

Bourgeois made his appearance at the Hôtel Suisse on the following day, and was at once received by Law. The two men had never met before and the agent made a good impression. He was short, and simply but well dressed; he had intelligent eyes and looked straightforward. He also seemed to be a capable and well-informed man, for he had worked for a long time with a banker. In answer to Law's inquiries concerning the war and the state of finance throughout the kingdom, he said that the dreadful condition in which everybody now found himself after seven years of a murderous struggle made peace desired on all sides – even the King wanted it – that the Treasury was empty and credit completely exhausted.

'There is a rumour going about,' he whispered in Law's ear, 'that Mr. Menager, the trade-deputy from Rouen, would be going to Holland to negotiate privately with the Stadholder through one of his friends from Gouge.'

Bourgeois paused for a little when he had said that, and then he continued: 'I have been thinking about what you told me in your last letter from Brussels. I have often lent money to two young people, natives of Toulon, both of whom lead a very wild sort of life. The brother makes something out of one of the townspeople – the wife of a man who is simply mad from jealousy. The sister is an

elegant person and has a delightful voice. For four or five hundred *louis* they would introduce you to the Duclos, the famous comic actress, who is devoted to young people and at whose house there is always high play. You are sure to meet gentlemen there, and, the devil take it, if you are not sharp enough, with their help, to reach the right people before whom you are anxious to lay your projects. Those I have in mind are the Chevalier de Sabran and his sister. You must be quick about it if you wish to avail yourself of their services. I believe that the police are watching them.'

That evening John had a talk with this charming pair of adventurers, who were members of a distinguished Provençal family. For their part the brother and sister were most polite in their manner, and addressed Law as 'My Lord.' At that time it was the fashion to give titles to foreigners.

The Scotsman and his gold counters made a great sensation at the house of Mlle. Duclos, who admired the fine bearing and handsome face of the strange gentleman.

The strong affection which he genuinely had for Catherine did not prevent Law from flirting with the actress. That sort of adventure was of great assistance to a man who wishes to get on in the world. He upheld his dignity by hiring splendid apartments, and also a new coach. A number of men in livery followed him everywhere he went. He made a parade of dazzling luxury, and wore a smile of such high good-humour that he won confidence in all directions.

He could be seen at play at Poisson's in the rue Dauphiné, at the table of Monasterol, envoy of the Elector of Bavaria, and at the house of a parliamentary president's

sister-in-law where there was always gambling going on, in spite of the fact that the police had ordered it to be closed.

Everything considered, it was very difficult to say that no one in the country had a penny left. Immense sums of gold and silver were laid down in wagers. The frenzy for play which had ravaged Versailles had taken hold of Paris too – for the city imitated the Court in everything. A certain set of men had decided to follow the profession of gamesters, and carried it on in the teeth of the law and at the expense of the provincials. Lansquenet, basset, pharo, dice, roulette – they were expert in all these games.

Although he was now in great demand at ducal mansions and in other select society, and the best clubs, which he occasionally frequented, Law went every day to the Hôtel de Gesvre, where he made enough at cards to pay his heavy expenses incurred by display.

One night when he had been winning, several of his companions, among whom was the Marquis of Effiat, persuaded him to go with them to a well-known house of disrepute kept by a certain Madame Fillon. When they arrived the first person they saw was a little man wearing a black wig, and surrounded by a group of young men and women, all of them more or less drunk. He noticed that the man's face had a look of ease and grace about it which was surprising in any one discovered in such circumstances.

And there was a queer, fair man too, very thin, and clad in ecclesiastical clothes which, while they seemed to disguise him somewhat, they also made him look all the more comic and ridiculous. He was in front of a table covered with bottles. He had a worn, haggard, heavy, and almost

twisted-looking face, but his expression was full of intelligence and he was always ready to crack a joke. In a stuttering voice the *abbé*, for such was his standing, began to sing the song beginning:

'Attack my hero no more . . .'

It seemed that the chorus to this song aroused a man who lay half-asleep near the newcomers, for he stirred a little and smiled.

It was thus that Law suddenly found himself face to face with the hero of Lerida, alluded to in the song, in other words the nephew of the King, of His Royal Highness Monseignieur le Duc d'Orléans.

He made his most handsome bow and said the few words necessary expressing his respect for the Prince.

The Prince, by this time slightly sobered by the noise, signed to him to sit down as the others were doing, and at once ordered the *abbé* Du Bois to send for more wine.

His Royal Highness had heard people speak about Law, and of his skill as a gamester. In tones that were equally free from condescension and from familiarity he went on to ask about the famous counters. Whereupon Law took one out of his bag and begged the Prince to examine it. The explanations which followed gave the newcomer an opportunity of outlining his projects, which he did with his customary eloquence. The Duke of Orleans was also eloquent, and eloquence was a quality which he valued very highly, as he also admired bright, inquiring minds. Without delay His Royal Highness accorded Law an audience for the next day, and then called out for Du Bois, who at that moment was pirouetting round one of the girls, and told him to inform the secretary

what he had decided to do. Du Bois detested the *abbé* de Thésut, who had just recently secured the position he had schemed his hardest to obtain for himself, so he now pretended to be deaf, but a kick behind from his master very quickly restored his sense of hearing.

The Duke of Orleans readily grasped all the points under discussion. To him the ideas which the Scotsman put forward of converting all the State debts into paper money seemed most ingenious. Here was a man who on his own responsibility offered to create the bank required for the purpose with his own money. He proposed, in exchange for the privilege which he hoped to obtain from the King, to give over to His Majesty three-quarters of the income earned by the enterprise. It was therefore not avarice that was prompting his action. His only desire was to endow the kingdom with a wonderful and useful scheme by means similar to those from which several nations were already drawing profits.

The Duke then advised him to take his project to the Controller-General of Finance, Monsieur Chamillart, and he carried his kindness so far as to have a letter prepared for that minister, which he gave to Law after he had graciously condescended to affix his signature to it. His Royal Highness further informed him that within the course of a few days he would be returning to the army, but that during his absence Monsieur l'abbé de Thésut would be always ready to help him in accordance with his instructions.

Law was well satisfied with the results of his interview, and went to Versailles to wait upon Monsieur Chamillart.

The aspect of those impressive buildings, all of them in such magnificent order, filled him with something more

overwhelming than admiration. . . . There was surely no one on this earth who could equal in prestige the Pope, the Grand Turk, and the King of France. Adversity might strike the monarch: it might turn the whole country into a hospital: but it could never render him unworthy of living in the finest palace in the whole world.

The conclusion Law arrived at concerning Monsieur Chamillart was less indulgent.

At first glance one rather guessed that the weight of a burden which was far too heavy for him had crushed what little spirit the man had ever possessed. A perpetual swaying motion from side to side spoiled his otherwise affable and calm face. He was a first-rate billiard-player. Billiards was a game which had opened to him the road to fortune, while having a contrary effect upon the fortunes of France. Indeed, the man who had lately had in mind the idea of overcoming the national deficit by taxing those who kept stacks of wood, and on the inspectors of fresh and salted butter, was not prepared to give much heed to Law's reasoning. But he listened to the visitor with the same degree of courtesy which he would have shown to a Chinaman explaining himself in his own language, of which the minister was entirely ignorant. He promised to look into the papers which Law left with him, and also that he would see him again soon.

Law was not without all hope when he quitted the office. No doubt he could see for himself that in 1708 France was in the same stage as that to which England had attained in 1692, when that country, less advanced in matters relating to credit, allowed herself to be devoured by ignorant financiers, whose only superiority was that they were richer and had no scruples.

But that was a state of things that must not go on. The excellence of his theories was fit to dazzle even a blind man. Consequently he had no doubt that Monsieur would finally understand them. It was now February. It seemed to him that it was quite within the realms of possibility that the Bank might be actually in existence in June. The queer creature, occasionally genial, often something of a simpleton, and always dangerous when it is a matter of money, and which is called an inventor, lives upon nothing but shadows.

A few days later John hurried off to Brussels. He fetched his wife and son to Paris, and they joined him in his fine apartments, and on their arrival he took Catherine to the Comédie, for he now felt happy and sure of the future. On the following day he betook himself again to the Palais-Royal.

The worthy *abbé* de Thésut had some news for him. His master had already rejoined the army; and the King, giving in to the good fellow's prayers, had just appointed a successor to Chamillart. This was Monsieur Desmarets, Colbert's nephew, through whom the former minister had been supported for some time past. They went together to see him.

Law liked the new Controller better than he had liked Chamillart, though he certainly gave him a less friendly welcome.

'What proposal can you, totally ignorant as you are of all our difficulties, make that would be acceptable to us, sir?' said he very angrily. 'At the present moment there is not one sensible man in the whole country of France who would dare take over the administration of finance. At least he wouldn't unless he were forced to do so.'

'I am a stranger in this country,' replied Law, as modest as ever, 'and I undertake to make this kingdom the most prosperous in Europe if only people will listen to what I tell them.'

Desmarets spent one day on preliminary discussions, to be followed by several others. Most of the stranger's ideas escaped the minister, but the practical results of the whole suggestion tempted him. To him it was but another expedient worth trying. Finally, he said that he would mention it to the King. But His Majesty from the moment he knew that Law was a 'Huguenot' held his hand up as a sign of refusal and could not endure to listen any longer. For once he never wavered, and Madame de Maintenon, seated in her arm-chair on the opposite side of the fireplace, had merely to smile assent.

Law, who suspected a certain underhandedness in the obstinate character of Desmarets, was as much vexed at the announcement of Louis XIV's decision as by the unmistakable way in which the minister delivered it to him. He was even ready to change his religion, but he did not say so, as he wished first to consult Catherine in the matter, and she was really attached to her creed.

But Law was scarcely inclined to consider such a question when he returned to Versailles. For Mrs. Law was in a state of nervous over-excitement which rendered her half-inclined to burst into tears and half-inclined to murder any one who came near her. Flushed with anger she handed her husband a notification received from the Lieutenant of the Police, Monsieur d'Argenson, expressly commanding him to leave the kingdom within twenty-four hours, and stating that the order was owing to what was

known of the methods of gambling which he had introduced into Paris.

Who was it taking revenge upon him in this way? Was it that fop who had said such hateful things against him on the previous evening at the Hôtel de Gesvres? Or was it not more likely Monsieur Desmarets, who had purposely forgotten to return him his schemes?

Outraged at being treated in such a fashion he hastened to the Palais-Royal. The *abbé* de Thésut was not there, and the rapacious Du Bois was also absent. He lost a little time waiting to see them, hurried back home, and then sent out for a post-chaise. Counting the hours which were still at his disposal, he made up his mind to be driven to Havre, whence he would have no difficulty in embarking.

The whole family was packed into the carriage and started off.

Catherine, at the top of her voice, insulted Monsieur d'Argenson, the King, Paris, and all its vile inhabitants, and that nation of rogues which she had learnt to detest as a child and which deserved to be hated. When this was over, John was not forgotten. He was a fool, a poor wretched creature, who would end his days in prison. He had been in gaol once. Why ever hadn't he been hanged then? She called him an adventurer, and reproached herself for having been led away by all his plausible talk, and then, when she could invent nothing more to say, she accused him of speaking well and of being handsome.

This was said while she held her son most tenderly in her arms.

'If I speak well, you speak too much,' said John calmly, with his eyes on the child, who was already seven years old.

Then, as she was exhausted and wept, he took her in his arms, said kind words to her, forgave her unfair speech on account of her unhappy childhood, the misfortunes which her family had suffered, and her immense pride, as well as her very slight brain power.

Law was suffering too, but he did not show it. How unfair it was! There he was being hunted out of a kingdom which he had been ready to make happy. Scotland did not want to have anything to do with him. England didn't . . . and now France!

'But nevertheless I am right,' he growled to himself at Mantes while the hostlers were changing the horses.

Catherine, sunk in grief, turned a dry eye in his direction.

'Poor man,' she said to herself. 'How lucky it is that he knows how to win at play.'

At Havre Law found that a vessel was just ready to sail to Genoa. It was always Italy which pleased him more than did any other land. He hurried to the ship's master, and it was while he was with him and while the clerk made out his account that Law wrote a final note to Desmarets, in order to let him have his address at Genoa in case His Majesty should ever alter his mind.

§6

WANDERINGS

For seven years Law wandered over Europe with his family – and the bee which buzzed as ever in his bonnet.

His family was increased by the birth of a daughter in 1712, who was named Mary Catherine, and his pet System was broadened out by means of a project he had had in mind when he was in Brussels, and which by the time he reached Genoa left nothing further to be desired. Without a doubt it was at sea that Law was most inspired by new ideas. This new idea was concerning the creation, behind the Bank itself, of a powerful company which would be able to absorb the whole trade of the country to the profit of the Prince as well as to the advantage of certain others. The two ideas linked together constituted what, in conversation, the inventor called his System. The logical mind of the Scotsman was soon convinced that France was the only country where he could apply it.

Ungrateful Scotland had rejected him; England threatened his freedom; the Empire was in his opinion, as in that of everybody else, in a very tottering condition; Spain, though the proud possessor of valuable mines, had practically no trade and no manufactures, and showed that she was unworthy of appreciating him. The only other remaining great state still at his disposal therefore was France, towards which his most compassionate heart was perpetually drawing him. It was not to be forgotten

that France, too, had banished him! But Law wanted nothing from Desmarets, who, imitating Godolphin's example, forgot to answer his letter sent from Havre. Desmarets was a trifler, and gave himself up to rogues and rebuffed one who was his benefactor. But Law came to a wise conclusion: 'My System needs France,' said he, 'and France needs my System.' This new fixed idea, in addition to the one he had already, never left his mind. All his efforts were henceforth in one direction.

At first chance favoured him well, for at Genoa, where he played for very high stakes and won on a corresponding scale, he became acquainted with the Prince de Conti, who enjoyed great popularity out of France and who was intimate with the heir-apparent, the Duke of Burgundy. Law overwhelmed him with arguments, showered memoranda upon him, which he implored him to deliver to His Highness, and then went off to Rome.

In his usual style he here cut something of a lordly figure, and made large sums of money while he was waiting for the Carnival to begin. The people in Rome were in the habit of boasting a good deal about the carnival, but it did not really amount to much. For eight days, from two o'clock noon until sunset, the streets were crowded with masqueraders, who were either on foot or driving in open carriages and throwing handfuls of sugared almonds in each other's faces.

Meanwhile, Law had presented to the senator in charge of the city government a plan which would restore its finances. The senator had thanked him, and soon slipped the gift into a drawer. The Scotsman, who was never the man to allow his hopes to be dashed by one rebuff, then wrote to the city magnate, on the eve of his departure,

giving him his address in Venice, where he was now going and where he would await a reply.

Law took a palace in the City of the Doges, and was eager to show the beauties of that interesting place to his wife. At St. Mark's he particularly pointed out to her a square stone which was apparently a piece of white marble. It was said that it was a fragment of the very rock from which Moses caused water to flow. He much wished to be present at the annual sailing forth of the *Bucentaure*, which took place on Ascension Day on the marriage of the Doge and the sea. He told little John a great deal about it. The splendid vessel glided on its way surrounded by gilded gondolas, four galleys, and two war-ships, while cannon thundered to the accompaniment of drums, trumpets, and numbers of other instruments. But Law never saw this beautiful sight again. He received a letter from Paris which compelled him to return to Genoa without a moment's delay. He departed alone, promising to return as soon as he could.

Bourgeois had just sent him two important pieces of news. The Prince de Conti had died in February. The heirs had found among his papers the famous memorials from Law, which they had placed in the keeping of Monsieur Desmarets. The Controller-General was now engaged in studying them. There was also another matter which occupied his attention.

Ships armed by the merchants of St. Malo had safely reached that port, carrying a valuable consignment of gold and silver specie valued at more than thirty millions. There were rumours that Monsieur Desmarets had persuaded the owners to hand over the specie to the Mint. Evidently the minister would take advantage of this

abundance to order a general melting-down of metals. And Bourgeois went on to explain the details of the operation, which was still a secret.

Thus it was absolutely necessary for Law to be in Genoa. For either Monsieur Desmarets, who now had Law's latest schemes in his possession, would be anxious to carry them out and renounce any foolish expedient; and at the same time he was closer to France than he would be in Venice. Or it might be that Monsieur Desmarets could make nothing of the schemes, and that consequently the melting-down would be proceeded with, to the great delight of foreign speculators – among whom Law considered he was one of the foremost – and Genoa was, everything taken into account, a really good base for his operations.

Once again the Controller-General behaved as a fool might: the result was that Law swept in a million for himself. Part of this sum he placed in the St. George's Bank, and then sent the balance to William.

This altogether unheard-of occurrence brought upon John the attention of the Genoese Government, and he was forthwith ordered to quit the Republic within twenty-four hours. He was very quickly back in Venice, to which he had already intended to return.

For the sake of passing the time – because he never doubted that, in spite of all these mishaps, France would soon recall him – he offered his invention to the Venetian Senate, by whose members it was completely disregarded, and also wrote a new pamphlet intended for Scotland. The rest of his time he spent in gaming-houses, without ever casting one glance on courtesans. His mind was so absolutely absorbed by his System that there was no room

in it for any other idea. The touch of Don Juan which he had formerly had in him had now disappeared, though outwardly he was just the same as ever. At intervals his old self showed itself as he cried: 'I shall have France.' And as he spoke his eyes had in them the expression of a lover. This, his last and most mastering passion, was his System, and in his eyes it took shape as the Kingdom of France under Louis XIV.

Law left Venice without writing to any one. He had too much sense to make himself look ridiculous.

He thought he would like to go and see the Grand Duke at Florence. This bigoted old debauchee received him when he was still in bed, and wearing a dirty shirt: he wore no vest and smelt strong of snuff. On a sideboard there was a silver wine-cooler containing bottles of wines and spirits.

It was also in Venice that Law met the Grand Prior of Vendôme – lacking all piety, honour, and morals, who was always drunk, was revolting in every way, and, in addition, none too honest. This gentleman boasted to the stranger of the acquaintances he had at Court, and offered him his friendship. The Prior considered the loan of a fair-sized sum of money to be a satisfactory way of confirming this friendship, and Law agreed. To Law it seemed as if he were thereby making a first gift to France, his beloved, absent mistress. He stayed very little longer in that city.

Another idea struck him, and that was to be received in audience by Victor Amadeus at Turin. He found the Prince an obstinate, pig-headed fellow, pleasant enough in appearance – in spite of his swollen nose – if he had not been so much marked by smallpox. He was a proud and

self-willed Prince, who was too often infatuated by some woman whom he adored and whom he made thoroughly unhappy. He listened with the greatest attention to the Scotsman and then gave his final answer, which certainly showed wit, saying that he would never adopt the System because he was not rich enough to be ruined. He overwhelmed Law with compliments. That was all.

Law remained some time longer in Turin with his wife and children. The winning of far too great a sum of money (in the loser's opinion) brought him an invitation to which he was beginning to feel quite accustomed: this was that he should betake himself beyond the frontier within twenty-four hours.

He now went into Germany, but he had no intention of getting the System taken up by any one of the three hundred and sixty courts and republics then constituting that country. What really attracted him into the country was the honest stupidity of the gamblers, who were all more or less of the same kind as the Count whom he had met in days gone by in Venice. He only hoped he would get enough out of them. So with this aim in view he visited several of the states.

Brunswick Fair seemed to Law to be one of the most amusing sights in Germany. It drew a great many nobles, and foreigners of all kinds were wont to be well received at the Palace. If any one wished to be received by the Duke and Duchess he had to apply to the Chief Marshal, who held out a bag filled with numbers. It was the custom to draw tickets equally for ladies and gentlemen in order that there might be no disputes as to matters of precedence. Chance, therefore, controlled everything – seats at the dining-table as well as at the Opera House.

The one who drew the luckiest number in the morning was the one to open the ball after supper.

Law and his family then went on to Leipzig, and to Dresden, where they looked at the Royal Treasure placed in crystal caskets filled with diamond, emerald, and sapphire ornaments. Forgetting for one fleeting moment his System, Law noticed that the Saxon girls, pale and fair-haired, were beautiful and that they looked sweet and gentle.

The travellers were at Weimar too. The Duke lived a somewhat solitary life in his castle of Bellevue. His society was limited to two ladies of high rank called maids of honour, three girls of lesser rank called chamber-maids, and one officer of the Guards. As his revenue was not more than four hundred thousand *écus*, he was on the way to ruin through keeping up a considerable army of no less than seven hundred infantry and nearly one hundred and eighty cavalry.

As for the Duke of Gotha, he had totally different tastes. He very much enjoyed reading. On festive occasions supper was set out on card-tables with table-cloths on them, and at nine o'clock, after having listened to some music, everybody went to bed. On the whole, food was better at the Prince *abbé* of Eisenach's, and at the Bishop of Bamberg's house. For, in accordance with traditional etiquette in ecclesiastical courts, there were many delicious wines drunk – and these were even sometimes drunk when their qualities could no longer be appreciated.

What cheered Law more than anything during all his travels was the gold medal – what irony! – which the Margrave of Anspach bestowed upon him.

When he left this serious little country, John, exasperated

at the persistent folly shown by France, made straight for Vienna, intending to lay his proposals before the Emperor, who, as people had said, was anxious to have a bank.

Vienna was perhaps the finest capital in Europe. One soon made acquaintances there, and in a very short time Count Zinzendorff, Count Gundaeker, Count Konigcocik had made friends with Law, who, for the sake of sharing their company, made a great show of wealth and refurbished his wardrobe. People only wore plain clothes in that city upon ordinary occasions, that is to say, they never wore them, for on six or seven days a week there was some gala going on. For the city to assume a state of gala nothing more was needed than the birthday of a government minister. What a pity it was that the women – and they were all so beautiful! – and they did not paint and powder their faces – kissed so badly. It was quite true that they had other good qualities. They did not ruin their lovers, and by dint of persevering in their adventures they often made them quite rich. For instance, one lady who wanted John to spend the night with her lost, in deciding the matter, one thousand florins in gambling. The husband paid up, and his wife saw nothing more of the Scotsman. The marvellous mathematician was worried about other things. . . .

On bended knee Law had presented a memoir on the Bank to the Emperor, who was a stout and rather friendly man. Charles IV had condescended to accept the book and to say a few words. Law had eagerly kissed his hand and then withdrawn.

It was not long before the Chief Chamberlain informed him that the Bank which the Emperor had in mind was not the one outlined by Law. So without waiting for the

communication which generally followed on the original refusal, John quitted Vienna.

They wandered in Hungary, they crossed Bavaria, and inevitably getting nearer and nearer to France, they at last reached the capital of the Duchy of Wurtemberg, where Mrs. Law, by this time thoroughly worn out, might take some rest. But she consented to pay her court to Mademoiselle de Gravenitz, the much-loved mistress of the hereditary prince, who, apart from this lady, knew no greater pleasure than to drive his own coaches through the town.

It was during their stay in this place that Law received a letter again from Bourgeois, who now urged him to return to Paris. The King could not live very much longer. It would be wise for him to take advantage of such a favourable moment and return permanently to Paris. The Bank stood the best possible chances of being welcomed, for really, without any exaggeration, everybody was at the very end of his resources.

John decided immediately to go as soon as possible, and he easily persuaded Catherine to stay where she was for the time being until he knew for certain that he would not be expelled from France upon some specious excuse or other.

'Give up gambling,' she advised him. 'By going to France you are playing your last card. Do not forget that. I really refuse to lead such a life as this is much longer. May God guide you on your way for my sake.'

Absent-mindedly he kissed her as a husband might do upon leaving his wife for some other woman, and he drove off in the chaise.

Before going to Paris he went to London in secret, for

the purpose of drawing out fifty thousand pounds sterling of the money in William's hands, with a view to the starting of the Bank. He stayed a very short time.

'If you want other money, just ask me for it,' said his brother, who went with him to the ship. 'You know how I trust you.'

'I have seventeen hundred thousand *livres* of my own. For the time being that is quite enough. Do think about obtaining my letters of pardon from His Majesty through some of our friends. I beg you to do so. If I could but hear no more of that stupid duel!'

Late in the summer of 1715, on the day after his arrival at Calais, Law was standing upon the steps leading to the Palais-Royal. He was handsomer and more graceful than ever, and was for all the world as happy as a man just about to take into his arms the woman he had long loved.

PART TWO

THE SYSTEM

§1

CATHERINE IN PARIS

Mrs. Law was looking through her new apartments. She found them containing more packing-cases than furniture and filled with workmen busy painting the wainscoting, nailing up the hangings, and fastening the pictures, bought in Italy and in Germany, on the wall. Cold air from the main staircase blew in gusts into the rooms left with the doors wide open, and the children could be heard playing on the landing upstairs. So much disorder and fuss upset Catherine, and she went back into her own room, where at least she could be comfortable. Queer notions floated beneath her fine brow, and she went and leant thoughtfully at the window.

How sad it looked outside! No doubt the Place Louis le Grand (afterwards Place Vendôme) was a magnificent square, with its statue of the late King on horseback in the middle of it. It was also the newest in Paris. But the whole appearance was spoiled by the fact that a number of the properties were still unsold and could only show their frontages. The archways and the open gaps into emptiness resembled the sunken eyes in the head of a corpse.

It was half-past three. John was at that moment

addressing the Council of Finance at the Tuileries. As usual he was bound to speak well. A slightly bitter smile was visible on her handsome mouth. Was he really going to succeed this time? If he did, all the pieces of white marble in the city would not be more than he wanted for commemorating the wonderful date, October the 24th, 1715. Was it not foolish to indulge even in the mere hope? Such a scatter-brained fellow would never be good for much beyond rushing about in a post-chaise! Since he became absorbed in this wild scheme he had actually treated her with insolence. Had she not been obliged, that day three weeks ago when she arrived in Paris, to wait nearly an hour for him at the place where they had last changed horses, simply because at the very last minute it seemed that the Regent wanted to speak to him?

'A true gentleman behaves very differently, and never deserts a wife of my position, and with her children too, to be the laughing-stock of her servants – a courier, four footmen, and three maids.'

John, who was always calm and full of little kindnesses, had done all he could to appease her in telling her this startling news.

'Apart from the death of the King, the Bank was a certainty,' he said. 'I did not mention that in my letters because they were always opened by Monsieur d'Argenson, the Chief of Police. But it really was a certainty! Monsieur assured me that it was. He approved of its principles. The public misfortunes have greatly softened his unpleasing character. The King was against my plan of placing the Bank under a special government into which I wanted to introduce members of Parliament, members of the Court of Exchequer, of the Board of Excise, and of the

Mint. But, though I yielded on that point, I had my own way in other directions. Then there was only the question of my religion: that would have been easily smoothed over. As you will remember, I went to Genoa. Still keeping the Bank in view, I sent one million to Bourgeois from Genoa. It was just as I was on the point of leaving the Republic that the news of the death of Louis XIV arrived. Carrying out my original intentions, I visited London again, meaning to see William once more, and to conciliate those who know a little of my secret. When one ventures upon such an immense enterprise, it is necessary to avoid putting people abroad against one.'

'What sort of position are you in at the present moment?' asked Catherine.

'I am getting things into working order. The Regent is giving me his protection. I do a good deal of work with the Duke de Noailles, president of the Council of Finance, and with Monsieur Rouillé, a queer drunken fellow who leads his chief by the nose, and who, if he liked, *could* understand the whole matter. These gentlemen do not hide the fact that they are all delighted with my projects. The Bank is a certainty. I am sure of it.'

'Provided that the Regent does not die in his turn,' said Catherine teasingly.

'You always will meet trouble half-way, Catherine.'

'And as for you, you invariably begin to rejoice much too soon.'

Catherine, continuing to brood at the window, called to mind the most frequent visitors at her new abode: they were Bourgeois and Fénelon. The latter was the trade-deputy from Bordeaux, and had a strange-sounding accent

and a natural stammer. He also firmly believed that the Bank was a certainty. He was willing to give up all his time to it, and promised the help of his colleagues, and so added to the confidence of John, who at meal-times used to tell Catherine what the Duke de Noailles, Monsieur Amelot, and Monsieur d'Argenson had said to him.

'It was Monsieur d'Argenson who sent us out of the country so promptly once before,' said his wife, who did not forgive that experience of humiliation, which, alas! had been followed by so many more.

'That was nothing! A mere trifle!' replied the Scotsman, with a gesture of a man who needs more than that to damp his ardour.

Catherine thought of what those last three weeks had been. Ten times a day the coachman had been sent for. John was continually going to the Palais-Royal or to the Duke of Noailles, who lived in the Rue Saint-Honoré, which was to the right as he came back from the Palais and on the same side of the street. Amelot, d'Argenson, Fagon, de Baudry, and de Saint-Contest held meetings there in order to hear what he had to say. Fénelon, merchants, and bankers were also sent to the meetings. And Law himself came away from them delighted. Everybody had seemed to be perfectly satisfied with the account he had put before them. If any doubt remained at all it could only be as to whether the usefulness produced by carrying out his scheme would be great or not. At least that was what he had gathered from what the Duke de Noailles had said to him. The Scotsman was never weary of repeating with persistent determination, as a proof of the impossibility of failure: 'I shall keep to my promise of distributing five hundred thousand *livres* among the poor

if we do not succeed.' If now and then some Scotch or English words crept into his brilliantly clear explanations they never made them any the less convincing. By way of ending these accounts of events to his wife he had always persistently said: 'The Bank is a certainty.'

'That we shall know this evening,' she murmured, and continued to gaze down upon the melancholy-looking Place Louis le Grand.

By dint of recalling all that had been said about John, and all the praise that had been bestowed upon him, she was inclined to reproach herself for being the only one without confidence in him: she now felt she was wrong, and a gleam of hope stirred within her. It would indeed be a delightful thing to settle in one place! She made a grimace at the recollection of their never-ending wanderings -- she never could think of them without feelings of disgust. Suddenly her heart began to throb violently. Yes, that was their coach coming towards the house. She went to make quite sure about it. She almost ran to the room where John was.

One of the footmen was putting a log on the fire. The master of the house had just flung a portfolio on to the table, and was handing his hat and sword to another man.

'Well?' inquired Catherine anxiously.

'The Bank has not taken shape,' said John, without a trace of emotion in his voice and seating himself in an arm-chair.

Catherine waited until the menservants had gone out of the room before she broke silence.

'When are we to leave Paris? Towards which new land does your genius intend to lead us now? Is it to be Russia, China, or perhaps you mean the moon?'

'Don't upset yourself! The Bank did not get into shape to-day, but it is going to do so. There is nothing else to be done. My own confidence is not in the least shaken. In any case we shall stop where we are.'

'Provided Monsieur d'Argenson does not think otherwise.'

'You must forget that old story. Everything is quite different now. Though not so different as I should have thought it must be. Ah! these Frenchmen!' John sighed, and then continued: 'They are so lively, and so impatient! They concern themselves only with their troubles, without ever thinking how they came about. They are unable to wait a single day to put matters right again. They would like everything put into perfect order in a minute when the disorder had been going for several years. There is just something in their character which will make them apply again to quacks to help them, and quacks will merely increase the evil by violent remedies instead of by effecting a cure.'

'You judge them wisely. But nothing hinders you from clinging to false hopes still. "The Bank is a certainty. The Bank is a certainty." Oh, dear! Oh, dear!'

'They will have to be convinced. They will see in the end that I am right. I have just been talking to the Regent, and that is what he says too. He is a man with brains. Not only that, but he is a friend to me. So really, you see, things are not going so badly after all.'

Such simplicity made Catherine so angry that she chose to fling one more insult at him before she left the room.

'Your friend! As a matter of fact, it is said that the Prince has miserable creatures among his acquaintances . . .'

Law glanced sadly in the direction of the door as it was

slammed, and took out of his portfolio the note-book which the easy-going Duke of Orleans had given him when they were alone in his little winter office, and which he made him promise not to speak of to any one. It was a hastily written copy of the minutes of the meeting held by the Council and drawn up by that fool of a La Vrillière.

In His Royal Highness's opinion it was necessary for Law to know what had been said before he came in in company with the thirteen merchants and bankers whom he had wished to hear the discussion upon the Bank, as well as all that had been said after their leaving the meeting.

Law, altogether absorbed, pushed aside the note-book and sprang from the chair.

He had at that moment seen where he had been wrong.

'I was in too great a hurry,' he muttered as he walked up and down the room. 'And that is the late King's fault! May he go to the devil – notwithstanding the memorial service that was held yesterday at St. Denis! I was so much taken up with the object I had in view that I was too anxious to retain the ground I had already gained, and almost ignored the fact that there had been changes in the Government, and also I was somewhat dazzled by the protection accorded to me by the Duke of Orleans. I was wrong. I ought to have waited.'

These remarks, made by a foreigner, were not without subtlety.

At that time France, with her usual lightness of heart, was entering upon a totally unknown phase. The death of the Great King had been accepted by the mass of the people with feelings in which indifference and hatred were

equally balanced. In their hearts all the people were weary of the reign which had dragged on so long, and, having endured so many monotonous hardships, they now merely hoped that anything different from their past experiences might be an improvement.

It was more than a man that had gone. The gorgeous paraphernalia which only he could support crumbled to pieces around his corpse. Of all he had made, loved, and most set his heart upon, nothing at the end of two weeks was left. Madame de Maintenon hastened off to St. Cyr; Versailles, already deserted, seemed to have died too; the bastard sons of the late King betook themselves away from sight; the Duke of Orleans, who had been suspected of the most evil intentions and despised by his uncle, had not shaken off this contempt when he roused Parliament from its state of morose lethargy and forced it to break the absurd oath of which it had been made the depository. Power, until now in the hands of the Jesuits, quietly melted away. The most violent enemy of Father Tellier, the Duke de Noailles, found he was offering the Presidentship of the Council of Conscience to the former confessor of the King, while others were asking him to retire as soon as possible. Efforts were made, as the public wished, to act in every way against the will of the late monarch. It was promised to the young King that he should go to Paris and thus see that none of the want of confidence felt for Louis XIV was extended to himself. In reply to his pressing and indiscreet invitations kindly eyes were turned towards the usurper in England, and the poor Chevalier de Saint-Georges the Stuart who had been the main cause of the last coalition, had been already sacrificed. On the other hand, people were looking, but without feel-

ings of confidence, to the 'eternal ally,' because Phillip V very well knew (if the little Louis XV happened to die) how to bring forward his own claim to the throne of France in opposition to the Duke of Orleans or any member of his family.

Home affairs were no less in a state of confusion. The old Duke of Anjou had partisans holding places at a court which was otherwise disunited.

Then there was the court nobility whom the late King had employed only upon the battle-field – they were clamouring for a share of offices.

The Regent, who had for some little time been isolated at Versailles apart from the world, and who was hated by the people on account of his vices and suspected of crime by the great, and who was seeking supporters, had so far given in to their wishes by instituting Councils – and these were generally looked upon as a heritage from the Duke of Burgundy – in which lawyers and soldiers both took their part. Both parties had insisted on being paid or upon receiving a portion of the booty. The foolish and arrogant Marshal de Villeroy and the ambitious Duke of Noailles had together revealed the contents of the King's will to the Duke of Orleans beforehand, and were reserving for themselves important places in the Council as rewards for this want of delicacy. The Duke of Noailles was still in hopes of becoming first minister in the Government.

In the midst of these passions and struggles on all sides, which were the results of patient intrigues fostered by tricky men before the Regency came into power, what could the simple goodwill of one man of genius effect in offering to save the finances of the nation? It was evident that that was a matter which, in addition to the maintenance

of peace, should be the chief subject of consideration for the new Government. But, as it often happened in France, little things got the upper hand. There was not a man who, proud of at last obtaining the position he had so long coveted, did not leisurely instal himself without the slightest doubt that his marvellous abilities would soon be working miracles.

Law was right: he had come too soon.

'Let me just see what this miscellaneous assembly of dukes, marshals, intendants, counsellors of State, *maîtres des requêtes*, and the President of the Council – they are all equally ignorant of the uses of cash and credit – have to say.'

He sat before the table and turned over page after page of the note-book.

He quickly read through the explanation of the theory prepared by Monsieur Fagon, a son of the late King's doctor, who had proposed his System to the Council.

'The aim of the Bank is to have all the revenues of the King brought to the Bank and to give to the receivers general and the farmers notes to the value of ten *écus*, one hundred *écus*, and one thousand *écus*, holdings which from that date will be called bank-notes, which notes shall be taken by the aforesaid receivers and farmers to the Royal Treasury, who in return are to let them have the equivalent on their accounts. All those to whom money is owed by the King are to receive only bank-notes from the Treasury, for which they may immediately receive full value at the Bank, while no person shall be compelled to retain them, and likewise no person shall be compelled to accept them in the course of business.

'But Mr. Lass . . .'

With one stroke of his pen Law changed the double s into w, and then went on:

'. . . holds that the usefulness of this method will be so great that everybody will be delighted to have bank-notes rather than coin, owing to the ease with which payments can be made with paper and by receiving at the same time the correct amount. He adds that it will be impossible for there ever to be more money than there are notes, because notes are to be made only as equivalents to the money holdings, and that by means of notes the expense of transporting money from one place to another will be avoided, to say nothing of the cost of clerks, the dangers of the road . . .'

'That is a fairly good summary,' declared Law, 'considering that he knew nothing at all about it before. Let me see about the thirteen merchants. I was in the room then. Eight were in favour of the Bank, one of them was neither for nor against it, and four gave me their reasons.'

When the business men had withdrawn His Royal Highness took count of the votes.

'Here we are.' Law stopped his finger at the first of the names.

Le Pelletier de la Houssaye was of opinion that the Bank might be established by allowing some profit on notes for the sake of reputation.

'The silly fellow is confusing in his mind my paper money with their own dirty notes, which nobody wants. What else has he got to say?'

That the present occasion is not suitable and that it would be better to wait.

'What does he want to wait for? Does he want to wait for confidence in the Government to be revived, as does

his colleague Dodun? The fool ought to know that disorders are not remedied by reviving confidence. Confidence follows as a matter of course when money is plentiful, just as mistrust is a result of scarcity.'

Monsieur de Saint-Contest . . .

'That man is an intendant, unless I am mistaken.'

' . . . does not think that the Bank will ever have much standing in the kingdom because authority is paramount and there is frequent distress.'

'Let them give me the special government such as I suggested to his late Majesty, and I shall guarantee its solidity whatever the ministry may do. What does the *maître des requêtes*, Gilbert de Voisins, say? He is wordy and very vague, but ends by stating:

'He would not care, at the present moment, to take any risks in a scheme which might not be a success.'

'Considering that I am offering five hundred thousand *livres* to the poor, I am certain of success. Monsieur de Gaumont does not wish to take any risk; Monsieur de Baudry would prefer to wait. Ah! the Chief of Police was on my side.'

'Monsieur d'Argenson looks upon the Bank merely as a means of keeping in safety the King's revenues; he sees nothing against its establishment, provided always that its accounts are accurately kept; and he is of opinion that this innocent method of reviving confidence might well be tried.'

'He is a man of brains,' remarked Law. 'Now and then he makes mistakes, but at great moments his qualities show up.'

John recalled with delight the evil-looking eye set in one of the most horrible faces there could possibly be, and

how the Chief of Police used to creep up to him stealthily when they met at the Council. . . . There had been moments when this made him rather uneasy.

Monsieur d'Effiat thinks that its establishment would be of use, but not at the present time, as it would lock up more money than is locked up already.

'The old scamp!'

'His Grace the Duke of Noailles is sure that the Bank would be useful, but that this is not the right time to start it, mistrust being general; and that the opposition on the part of business men, whose trust is indispensable for keeping up a bank, would bring it to smash . . .'

'What does the man mean?'

' . . . so that in order to get out of uncertainty, we had better state that as from to-day – the Bank shall not be formed.'

The Scotsman stopped smiling and rose from his chair, stamping his foot.

'He is a shifty fellow!' he shouted out.

The Duke had been simply making a fool of him all the time he had been rubbing his great fat red hands together. 'I see nothing whatever against it,' he had said to Law when they talked about the Bank. Because he had retained a post in the office of Monsieur Desmarets he thought that he alone was the man to put the finances on a steady basis once more, with the help of that lout, Monsieur Rouillé du Coudray. He ought to have told him that to his face. Well, perhaps not. All these preliminary speeches had some purpose. They were leading him, Law, towards the Finance Board, and would make him expose the state of affairs reached by the decision, reached by the ignorant assembly simply under the thumb of the president.

Law was furious as he read through the declarations made by Monsieur Fagon and Monsieur Daguesseau. There were two questions that the Procureur-Général had rather slurred over.

Is the Bank a useful institution in itself? It is proved to be not so.

'Proved to be not so, indeed! What can that miserable pedant prove?'

'Monsieur Le Blanc: agrees altogether with the opinion of the Duke de Noailles. Monsieur d'Ormesson, Monsieur Amelot: both completely in agreement with the Duke. And so was Monsieur Pelletier des Forts. What was the good of reading the proposals made by that tipsy old Rouillé?'

Law had almost forgotten the Marshal de Villeroy. As a matter of course he also was of the Duke's opinion. But that was not enough for the fool: he had to go and say that confidence could only be restored if revenues and the affairs of the army were put in order first, followed later by the issue of paper money.

'That is exactly what such a man would say – the man who has been thoroughly beaten on every battle-field. Perhaps he was waiting for the enemy to come and restore confidence, and reorganize the troops.'

Law calmed himself before he read the Regent's own decision.

'His Royal Highness stated that he was sure the Bank would eventually come into being, but after all he had heard he was of the same opinion as was the Duke of Noailles.'

The Scotsman ground his teeth. 'So he is just like the others. . . . That Prince's character is too weak for

anything. If I were the Regent I should put all those fools who have spoken, but said nothing, in the Bastille.'

He considered for a few moments, then he declared: 'I shall keep to my own opinion. I am now a man of forty and a genius. The time has come when my abilities must be placed at my country's service. I am going to save this land from ruin as well as spare the people misery, in spite of the fools who are bringing it about. I shall speak to each of the members separately and to them all collectively. I shall persuade them to read my *Considerations*: I shall write more papers on the subject: I shall make things absolutely clear, and bring forward proofs. In the end they are bound to grasp it.'

A servant came in to tell him that supper was served.

'Yes,' he answered absent-mindedly. 'I have been perfectly straightforward, but they do not want to have anything to do with me. In future I shall be artful and try roundabout ways. The Duke of Noailles is my enemy, so I am going to overwhelm him with kind attentions. My coolness is what the people in this country find so astounding, and they never suspect that it leaves me when I am by myself. I must make the best I can of the whole matter. There is only one sound financial system, and that is my own. I shall take every possible means to force these people to accept it, and if necessary I shall forfeit my own fortune, but they must accept the system.'

Urged by his mistress's impatience, the footman, silent and timid, appeared again. Law, jumping up, caught sight of the man.

'Is it supper? Well, I am coming. Get me a light.'

§2

DIFFERENCES AND DISTINCTIONS

Towards the end of autumn in 1715 the workmen were at last leaving the mansion in Place Louis le Grand, which they had put in proper order. The furniture was arranged, tapestry and pictures hung on the wall, the menservants were dressed in red livery, the stables well filled, and the coat-of-arms duly painted upon the carriages. There remained only the ground-floor unused – for it was there where Law was hoping to start the Bank when the good time came.

To show that there was a difference between him and the ordinary sort of financier – for instance, men such as Crozat, Bourvallais, and Villemarec, whose only aim was to enrich themselves and make a tremendous show – the Scotsman lived in a style which, while it was not below his dignity and standing, did nothing to scandalize any one.

Every morning at half-past seven the footmen in the vestibule saw Bourgeois come in. He arrived on foot, and he had just the correct and very serious manner which a poor man whose business was concerned with finance ought to have.

Law had the greatest respect for him. He made him responsible for knowing all about forms, postponed payments of bills, the means of avoiding fraudulent imitations, forgeries, and other little details. He even asked his assistance in the choice of a word to use in his writings,

though in this matter he really preferred to consult the learned Charles Chesneau, Monsieur du Marsais, whom he had recently engaged to be his son's tutor.

As the Regent required a summary giving the salient points of every speech he made, Law had a great deal of writing to do.

Since the important Council meeting of October 24th, they had had together a long discussion away from the Palais-Royal, and this had been followed by several interviews.

Law kept to his original plan of having a Royal Bank. In his opinion the sovereign's protection would render the establishment of the Bank more solid, and consequently less likely to be affected by events which might endanger its credit.

'The credit that I propose to establish will be different in its nature from the kinds of credit now in general use: it will be of a special kind for this monarchy in the present state of affairs,' Law was careful to explain to his Royal Highness.

He had no doubt at all that the greatest credit systems in Europe would be governed after his model as soon as they would have been able to profit from the lessons they learned from his important invention.

There were times when the Duke of Orleans smiled at seeing him so ardent.

'I am no dreamer,' proclaimed Law. 'It is thanks to long application to the matter and to a touch of genius that I have been able to distinguish the truth from what is false. Everybody knows that I am the only man who depends upon correct principles. Therefore my name will not injure the Bank, quite the contrary. I have the honour of

being known to all the foreign governments, and I will venture to say that when it is once known by them that it is I who have started this project and that it is I who am directing it, they will be much more favourably disposed towards the undertaking than if some one else had undertaken it. If your Royal Highness would prefer it, I will pay the expenses of starting the Bank myself out of my own small fortune. Far from having any idea of defrauding His Majesty or the State – such views could be harboured only by a narrow mind, and mine is not that – His Majesty will be empowered to propose inspectors, who will know what I am doing. I offer to give up my share of the profits for the purpose of giving Paris an Exchange or Bourse, and I intend to buy the Hôtel Soissons, as it seems to me suitable. A fine city like Paris should have a Bourse.'

Law lowered his voice, and, drawing his chair closer to the arm-chair in which the Duke of Orleans was sitting, he added mysteriously:

'Your Royal Highness may perhaps remember a conversation with which he honoured me at Marly, shortly before the death of the late King. I then said that my idea for a Bank was not the most important that I had in my mind, but that I had a plan to raise five hundred million without the subjects having to pay anything at all. Only let this Bank, which is the true basis of power in the State, be once started, and I shall produce a work which by the changes it brings about in favour of France must astonish the whole of Europe. They will be changes more far-reaching than those resulting from the discovery of America or from the introduction of the credit system. This is what I say: France from that moment will become

the retreat of the happy and the asylum of the unfortunate. You will have 300,000 men on the land, 300 vessels on the seas, a population of 30 millions, a general revenue of 3000 millions, while the revenue for the King will have risen to 300 millions. And the country will be held in respect by its enemies; for the surest way of preserving peace is to be in a position to wage war.'

The Duke of Orleans no longer smiled. He was genuinely astounded.

'What do I ask for in exchange?' said Law with emphasis. 'That your Royal Highness may uphold me against the King's enemies, private jealousy, and private interest, so that I shall be able to work for the profit of the State and with honour to myself: the more service I give the more I expect to meet with opposition. Your Royal Highness need not trouble about success. It is not the best comedian who plays the greatest part, but the one who plays best.'

The inventor had risen respectfully from his chair to say, much in the tone an ambassador would use when making a declaration of war:

'I further propose to force the Bank of England to lessen the quantity of notes it issues and to increase its cash currency, otherwise it may risk some loss of credit.'

There was a slight ring of hatred in his voice. A man who is certain of being in the right never forgives those who consider him to be wrong.

'Your Royal Highness desires the people's happiness?'

'My life has no other object but to secure it, and to hand over to the King when he comes of age the kingdom in a better state than that in which I found it.'

'The only means of succeeding, if your Royal Highness

will most graciously condescend to allow me permission to say so, is to have the Bank.'

The Duke of Orleans was gnawing his finger-nails and gave no reply. He was already convinced that the plan was a useful one, and was led away by the author's beautiful theories. But his natural want of resolution prevented him from forcing the hands of those who were opposing the Scotsman. He was so anxious to conciliate everybody that he was unable to support any one man. The Duke of Saint-Simon, his intimate friend, said that since the days of Louis le Débonnaire there had never been a man more *débonnaire* than he.

To bring him to the point Law very nearly (calling to mind the suggestion made by Du Bois, whom he sometimes went to watch take his supper, consisting of a cup of milk, in his wretched little room high up under the tiles) compared him with Henry IV. But he did not dare pay this compliment, which would have been the only way in which he could flatter the Regent. Prudently, he noticed the silence of the pleasant little Prince, whose mind was wonderfully broad, and who was the possessor of any number of good qualities except the one of being able to turn them to good account.

The Duke of Orleans was as well able to lead armies and to conduct affairs of State as he was fitted to paint pictures, compose music, and even to dabble in chemistry. He had an extraordinary memory. He had merely to turn over the pages of any book, and he would know more about it than might the man who had spent hours in reading it through.

Unfortunately his soul was not worth his brain. It was said that he was full of every kind of vice. He loved

women in his own coarse way; wine – one glass of which was enough to make him drunk – he liked in large quantities; he was fond of his daughter in a way a father should not be, even if his enemies' accusations were not all accepted. Moreover he was abominably impious, and mocked God and had desired to converse with Satan; he had even been seen to play the part of a drunkard in very queer company, in performances at Issy: this was surprising. Nevertheless, and in spite of these weaknesses, these defects, these imperfections, and the incredible softness of his character, and however strange and unheard of it may seem in the eyes of ordinary people, the Duke of Orleans had one great merit, which is perhaps the greatest merit there is: he possessed a sense of honour.

It was that sense of honour that had made him stand out against the bastard sons of Louis XIV, not without some clumsy timidity, and had made him, full of goodwill, seize the power at once; also it had stopped him from forgetting that a man's habits of debauchery must not engage a prince's secrets. Finally, he possessed another gift that Law greatly appreciated: he was easily pleased. The Scotsman loved him, he was charmed by the other's charms, and also because the Duke had been the only one who had understood him without rebuffing him, and most of all because he represented France, so dear to that foreign heart.

The Duke always dismissed the financier at every stage made in the proceedings with words of encouragement, spoken in the pleasant voice which was changed only in drunkenness. His Royal Highness promised to remain on his side; the Bank would soon be started, yes, soon; something would have to be said to the opponents. But

first of all the Duke of Noailles must be left free to act as the perfect courtier he was, and before whom His Royal Highness himself sometimes gave way.

All through the winter, which was extremely cold – it did not hinder some wretch from fastening to a tree in the city ramparts a naked young girl, who was found dead the following morning – Law was not without opportunities of amusement or of exasperation. The matter that entertained him more than anything was the bank scheme adopted by His Imperial Majesty and which his correspondent in Vienna wrote to him about.

'Legitimation, contribution, assignation! What verbiage! Whoever has instituted that bank knows nothing about it. I swear to you, Catherine, that with one quarter of the privileges and advantages which the Emperor had accorded to that ridiculous affair I would undertake to furnish this country with longer credit than they have either in England or in Holland.'

'You must devote the whole of your energy to succeeding in this kingdom rather than criticize any other,' replied his wife. 'For the last few weeks I have seen you in suspense, and that is all I have seen. While you are jeering in this way Monsieur the Duke of Noailles is becoming violently agitated.'

'He ought to keep in his proper place. He is a solid body plus an incapable mind, and both inaccessible to true principles. When he is not talking some sort of nonsense he is wasting paper and driving his secretaries frantic – for they always have to rewrite his reports. It is a mere pretence that he works. I look upon him as a low sort of wire-puller whose vanity is just about equalled by his repulsive falseness. I flatter him, but I hate him. In what

has he succeeded? Nothing at all. Take the *visa* for instance.'

'John, these questions bore me. I am going to see the children. Do think of them when you are rushing after your shadows. In a few years' time they will be old enough to take their own places in the world, and you are getting on in years. Do not risk your money in any foolish adventures.'

'I have no fear whatever concerning the future. The day will come when their father will be looked upon as the equal of the greatest kings there have ever been.'

'Do not talk such nonsense, and do not bring them to misery.'

'But just listen to me. . . . Ah! she has gone. The Duke of Noailles,' he continued, speaking to himself, 'is a perfect fool who knows nothing about credit and currency. Monsieur Desmarets, whom that ungrateful and selfish master has dismissed, declared to me reasonably enough last week that everything went on well, or rather went badly, during the war, but that no one kept accounts.'

It was when peace was made and extraordinary expenses were at an end that the whole state of the disorder in which the Government stood was apparent, but it was not equally apparent what were the resources by which she might be liberated.

The Government had been living upon loans. Taking advantage of the surprising credulity of the public, it had drawn in the people's money in exchange for worthless paper-money, which went by different names in order the more to deceive. Upon the death of the late King this floating debt, which was due for immediate payment, had risen to 700 millions. There were but several hundred

thousand *livres* available in cash to meet it. What had the Duke of Noailles done?

Law shrugged his shoulders. Instead of removing that immense quantity of paper-money, which would necessarily give back value to money, the ignorant President of the Council of Finance had originated the idea of ordering in December the *visa* (inspection) of assignations and of claims. The bearers of these were to receive for their 700 millions of bad paper-money, 190 millions of State notes at 4 per cent. interest. Though at first reputed to be excellent, this new paper issue had almost immediately lost 40 per cent. of its value.

'That's a good way of doing it!' said Law. 'They have certainly reduced the debt, but the nation is ruined. Next, the Duke of Noailles turned his attention to the *rentier* – the most tractable creature in the world. When he thought he had suppressed revenues upon the Hôtel de Ville by one stroke of the pen, he drew back and was satisfied by greatly reducing interest. One could not help laughing when one knew that the very man who at the beginning of the Regency had been indignant and angry against the Duke of Saint-Simon for proposing, in order to save time, another and equally stupid solution, namely, to declare that the King and his subjects were quits, had noisily rejected total bankruptcy in order to realize a state of partial bankruptcy on the quiet. Oh, what fine promises men made when they were doing their utmost to get power into their hands! No one will ever touch specie again, swore the Duke of Noailles, laying his hand on his heart. On December he raised *louis d'or* from fourteen to sixteen *livres*. What was it that the messengers of Noailles shouted out along the road

from Versailles? "We shall have less taxes to pay." And now there they were paying ten times as much.

'There were some people who said that the Duke of Noailles had carried out a few wise measures of economy. He had re-organized eight hundred guardsmen and reduced the musketeers to half their number. He had suppressed the office of the Controller of Wigs . . . and other such absurd institutions. I do not altogether disapprove of the man, but he ought to do more than retrench in the matter of expenditure: he must guarantee receipts. Spring is just coming; the Regency has been in existence for six months; and the Treasury is still empty. I see well enough the direction in which these men with their faulty principles are making their way. There is the decree issued by the Council of State dated November the 4th, compelling farmers, the tenants, and sub-tenants and other men in business to furnish accounts of their management. They will not do it properly. The Duke of Noailles told me: "I shall obtain the money; wherever it happens to be I shall go and take it." The poor man does not know that money the moment it is thus attacked is either hidden away or flies away.'

After dinner on March the 13th, 1716, Law, as any good foreigner might be, was curious to go and witness the queer sight which was the general topic of conversation in Paris. It was the day when Monsieur and Madame de Montrival were to be publicly flogged by the hangman. He had much wanted Catherine to go with him, but the all too modest Englishwoman had protested. The two culprits – they were members of the lesser nobility – had made their house into a place of ill-repute, to which they enticed poor girls and young men of birth and means for

the encouragement of vice. The Prince de Conti, the son of the Prince whom Law had formerly known in Genoa, raised a complaint against the house for reasons of his own, and the owners of the house were put under arrest.

John saw them taken through the city fastened to the back of a cart: each was naked down to the waist, and each wore a straw hat. His neighbour, Crozat, the richest man in Paris, was also there to look on at this pleasing sight. Law was acquainted with him, and went up to ask what the straw hat meant.

'It is the custom,' answered the amiable financier.

Then together they worked up feelings of indignation upon the really appalling state morals were in.

'You knew Duchesne? He was in business – and now he has gone entirely to the dogs. And there were any number of students, too, who used to go to the Montrivals' – it was a horrible place. . . .'

'When I was a young man I too was very fond of women. . . . Well, let us leave the matter at that. Let us change the subject. There is our neighbour, Bourvallais, the tax-collector, actually in the Bastille. Rich men are certainly going to be made to pay out. That will not produce much and will bring about a great deal of disorder.'

'That is what I think too. I can give you a piece of news. In a day or two a Chamber of Justice will be formed for the purpose of inquiring into, so the text of the decree runs, "abuses and crimes wrought by any one whomsoever and in matters of finance, to inflict upon any such persons corporal and pecuniary punishments, confiscation, imprisonment, death." '

'That operation is not based upon true principles. It

will merely amuse the nation and arouse the people's basest sentiments. Envy makes them rejoice to see vast fortunes probed and taxed. But profit is not for them, or indeed for anybody. A good sound bank with me to manage it would be by far the best thing.'

'You are still wrapped up in your scheme,' said Crozat, smiling. 'Believe what an experienced man tells you: you will not succeed.'

'Evidently,' growled Law when he was back again in his coach, 'he is afraid the Bank would end his little tricks. I am inclined to think that the decree must be making him uneasy too, although he has so many powerful protectors.'

The Scotsman had contempt for the men in business who were not satisfied with the profit allowed them by the King, and who increased their gains by money-lending, speculation, and similar worrying things. Such men were lacking in both questions of conscience and in knowledge. In his opinion the measure taken against them was no better than their own. In private instances theft might answer well enough, but it is of no use whatever to the State. Money, argued Law, plays in the State the same part that is played by the blood in the human body. The moment its course is checked it can no longer carry on its true function, which is to circulate, and the endless consequences affecting the public are fatal.

One morning Catherine called John to the window. Officials of the police were roughly turning Madame Bourvallas out of her house in the Place Louis le Grand, and they left her nothing but some under-linen. A crowd had collected and shouted with delight: and they shouted still more when they saw the silver plate which had be-

longed to the tax-collector now on its way to the Mint to be broken up.

That was the beginning of the great financial inquiry. More and more decrees were issued. Contractors were forbidden to leave their homes, postmasters were forbidden to hire out post-chaises and horses without permission signed by the Marquis de Torcy, and goldsmiths were forbidden to buy anything made of gold or of silver. It was not long before vile edicts authorized everybody, and even servants, to denounce the rich, and even allowed them to share in the confiscations. And still worse was to happen. Subjects were forbidden, under pain of death, to say anything against those who denounced.

Men betrayed their masters, their friends, their fathers even, and held out their hands for payment. The police looked into everything: the cellars, the underground rooms, the floorings. They even went so far as to undo the lining of people's coats. There were plenty of condemnations going on at the Chamber. For the sake of mere amusement some were subjected to torture, some were sent to serve on the galleys, while others were handed over to the hangman. Certain of the contractors were so frightened that they flung themselves into the Seine, and a good many went out of their minds. Day after day the unfortunate and ridiculous Bourvallas was taken before the judges, who regaled themselves, under his very nose, on his finest wines, placed on the table in the silver cases which had also been removed from the Place Louis le Grand.

Money being thus the object of contention looked after itself or escaped altogether. By this time there were well-

paid intermediaries between the victims and those in authority. In Alsace, near the frontier, a large consignment of wines was discovered, and each huge cask contained a smaller one filled with solid cash. In other instances quantities of gold and silver were hidden in cart-loads of straw. The amounts of money which did eventually reach the Treasury were quickly wasted, for the Government – ignorant and simple as it was – believed that the funds held by the contractors were inexhaustible.

The Duke of Noailles was proud of what he had done, and hired artists to commemorate his work and make him more popular than he was already. In the streets men were selling prints representing Justice and Death seated upon human bodies from which streamed forth torrents of gold.

Public morality was bound to be injuriously affected by a series of such blows. Villainy had become so much a matter of course that it had taken a firm hold upon the steps of the throne itself. The performances of *Athalie* had to be interrupted because the play seemed to contain too many malicious allusions to the Regent, who, thanks to the artful manoeuvres of Villeroy, was accused of wanting to poison the young King, Louis XV. The time was far distant when the president of the *Parlement* compared the Duke of Orleans with an angel. Everything was changing in people's minds and in the mass of the population. Some predicted a new Fronde. Two men who were of that way of thinking kept cool through all these times of varying kinds of uneasiness: for it is only the man possessed of a fixed idea who has strength at such periods. Du Bois had set his mind on being made a cardinal, and Law wanted the Bank.

Delighted at the check which the cowardly Chevalier de

Saint-Georges, who had landed at Gravelines, had met with, and whereby he definitely lost the crown, the *abbé* wrote to Stanhope, then Secretary of State, with the idea of contracting an alliance with the former enemy – England – and prepared for his departure for Holland, where he was to meet Stanhope and the old protector, Heinsius.

At the same time Law also renewed his attack by making a new proposal which seemed to him likely to suit the taste the Regent already had for his ideas, as well as lessen the mistrust which the Duke of Noailles showed towards him by his ambitious selfishness.

He now suggested to institute, entirely by his own means, a Bank similar to the one he had originally proposed, but which would be a general bank and not a Royal Bank, and as payment for shares to the value of five thousand *livres* to demand only one quarter in specie and the remainder in State notes. By this clever method he would be making up the deficiency of a very bad paper currency and would be relieving the Minister of Finance of a portion of it.

The Duke of Noailles, still upon his dignity, began to expatiate upon the thanklessness of the task which only his own fatuity had made him assume. Law overwhelmed him with attentions, entreaties, and promises.

'Well, then, let it be so!' said the Duke at last. 'Bring me your scheme – I shall support it.'

One conference of three men, including the Regent, regulated the final details.

It was a man simply mad with joy, pride, and astonishment who returned that evening to his home in the Place Louis le Grand.

'The Bank is a certainty,' said he to Catherine.

But she seemed to be quite unconcerned. She had heard that phrase at least a thousand times before. Such coldness made her husband impatient.

'It is made now for once and all,' he assured her. 'At last we have got the Bank. At last it is really a certainty. I am willing to have my head cut off if I am not right in what I say. The fact is that a new Council has been convoked, and every member agrees with me. The whole thing has cost me something, or rather a great deal, but its success is assured. The Bank exists. For proof – tomorrow I am making the agreement with the Duke of Noailles and other gentlemen; you will be able to ask them about it. The Bank *is* a certainty. How splendid everything is! Monsieur d'Argenson will be at the supper too. You are sure to be afraid of his face, which is really hideous. The Bank is a certainty. Are you satisfied?'

'I shall not be satisfied until the decrees are actually signed.'

'That will not be long for you to wait.'

He kissed her gaily, and then he sank down in a chair and sighed:

'What a tremendous amount of trouble has to be taken, and what shocking sights have to be seen, before wisdom can get the upper hand of things in this very strange country!'

§3

SAINT-SIMON

The Bank was easily carried through by the higher Council of Finance. Law found that there was no better way of bringing members over to his way of thinking than by making gold ring in their ears. Objections were few, short, and weak. There was only Marshal Villeroy, who was invariably against the Duke of Orleans – with or without reason – who felt called upon to read out, after having put on his spectacles, a few lines against the proposal: but no one listened to him. The Duke of Noailles was the more amenable on that account, though he had once been against it.

Next, the Bank question had to be laid before the Council of the Regency. It would never do for it to fail there. The Duke of Orleans, who depended entirely upon Law's abilities, was most careful to instruct each member privately. He saw his brothers-in-law, the Duke of Maine, the Count of Toulouse, Marshal Harcourt, Marshal de Besons, Voysin the Chancellor, the former Bishop of Troyes, and the Marquis de Torcy. With the exception of Saint-Simon they were all more or less talked over.

Saint-Simon, a thin, scraggy, sallow-faced fellow, but honest and the soul of rectitude, torn by the passions of scorn and hatred, whose eyes were as expressive as his tongue, and who was a prolific writer of what no one could doubt to be the truth, having heard his friend

explain the Bank thoroughly, answered: 'I have never concealed from you, sir, either my ignorance of or my distaste for everything concerned with finance. Nevertheless, it seems to me that what you have just explained is good in itself, in so far as, without taxation, without any expense, without harming or embarrassing anybody, the available currency will all at once be doubled by the notes issued by this Bank, and at the same time it becomes possible to move it from place to place without the slightest difficulty. But against this one advantage I find two disadvantages. The first is to direct the Bank with sufficient foresight and wisdom so as to make no more than the necessary number of notes required for the purpose of being able to face and pay all who may demand cash for the notes they hold. The other disadvantage is that what is an excellent thing in a republic, or in a monarchy such as England, where finance is in the hands of the nation, is a pernicious thing in an absolute monarchy such as France, where the needs of a badly conducted war, the greed of a highly placed minister or a favourite, of a mistress, a craving for luxury, foolish expenditure, a king's extravagance, all these would very soon exhaust a Bank and ruin those who were holding notes : in other words, they would ruin the whole nation.'

Saint-Simon, standing erect upon his short legs, gave the Duke time to recognize the truth of all this, but argued with him a long time when the Prince tried to prove by means of all kinds of good reasons that the chief disadvantage need not be feared.

He did not alter his mind, and in fact he went into the matter more fully at the Regency Council meeting when his turn came to give his opinion before making his

declaration, with a disagreeable glance at Villeroy, still going over in his own mind the words he had written on the paper the other day:

'I have decided to reject the Bank as being, in a country under absolute monarchical government, the worst thing possible, but which in a free country would no doubt be a most wise and beneficial institution.

As often was the case, the minority was on his side. The Bank was carried by the Regency Council, as it had already been passed by the Council of Finance.

'You must give me six months,' was what John had told Catherine towards the end of October.

And now it was May the 2nd, 1716. Therefore he had been able to carry the matter through within the time. He had reason to rejoice, for the rule of management which he had prepared was accepted entirely, although it contained a few striking new features.

The Bank was both a deposit bank and a discount bank. It undertook never to borrow on interest and never to trade on its holdings. It also undertook the care of money belonging to private owners by receipts as much as by payments, and money was paid out at their pleasure either in cash or by transferring the amount from one account to another at a charge of five bank *sous* for one thousand *écus*.

The Bank obtained a privilege to last for twenty years, and the power of stipulating for the value of its own notes in *écus de Banque*, so that they should be free from the ordinary fluctuations occurring in the money market.

The establishment, which took the name *Banque Générale*, was started with a capital of six millions, represented by twelve hundred shares of five thousand *louis*

each, payable quarterly. The half-yearly dividends which were to be paid to the shareholders were decided upon by the general meeting to be held twice a year in the Bank. Everything should be settled by voting. Five shares would entitle the holder to one vote, ten shares would entitle him to two votes, and so on.

His Royal Highness the Regent had been willing to honour the Bank by taking the title of its Protector.

With the object of making the undertaking more secure, Law, as a good Scotsman would do who trusted the 'House,' was very anxious for the French *Parlement* to grant the Bank its letters patent. Consequently the Duke of Noailles forwarded them on May the 3rd to the president and to the procurer-general, asking for them to be registered without delay.

The *Parlement* did not return the letters patent until the 22nd, and after they had been written for, and even then did not forget humbly to entreat the King to order that the aforesaid Law might not have the Bank without first of all having obtained naturalization rights, if it pleased His Majesty to grant them. Within three days this was duly carried out.

'Now you are a French subject,' said Catherine bitterly.

'You always attach so much importance to trifles!' said Law, and, turning to a footman, he asked if Monsieur Fénelon, Monsieur Bourgeois, and the others had arrived.

While the lawyers had been busy with their papers and documents Law had not been wasting his time.

It had been pointed out to him that Place Louis le Grand was a long way from the business quarters of Paris, and that, moreover, it would be of more use to have the Bank offices in either Rue des Lombardes or Rue Quin-

campoix, or somewhere in that neighbourhood. He had given up his first idea of having the Bank on the ground-floor of his own house. And being a man of plans and ideas, he begged Charles Chesneau to form him a library of several thousand volumes – rather like that of the Duke of Noailles – to be put in the empty rooms.

Law had chosen the Hôtel de Mesmes in the Rue Saint-Avoix, as the first president was no longer living in it – and for which the owner asked a good price. But the house was in a good position.

Law had to go and see the house now with Fénelon, Bourgeois, Vernezobre, Poterat, Rauly, and Du Revest. All of them were to be officials in the Bank. Vernezobre, of Prussian origin, who was good at book-keeping, for he had been a contractor in all kinds of paper-money and had been reduced to a state of destitution by the *visa*, had been brought to him by Bourgeois. He had met Du Revest at the Palais-Royal. Poterat and Rauly had come to him through recommendation.

As Law went over the house he decided what the rooms were to be used for. 'In this room we shall keep the ordinary safe. The four cashiers shall sit in front. At the back there will be the head clerk at a desk, so that he can manage and direct the others, and he will also have books by means of which he will be able to recognize the notes in case false ones should happen to be presented. You, Du Revest, are to have that place.'

'You said ordinary safe just now,' said Vernezobre rather heavily. 'Are there going to be two kinds of safe?'

'Allow me to explain the working of this establishment, otherwise we shall all get into a muddle. I am the director. I have three inspectors by me, and they will see

what I am doing. The chief of the inspectors is Monsieur Fénelon, trade-deputy from Bordeaux. I shall have two clerks to work for me. You, Vernezobre, are to be the second of them. The treasurer, Monsieur Bourgeois, will be the chief of the four cashiers. I intend two of these places to be filled by Poterat and Rauly. The accounts are to be kept – both by double entry and in the way the Italians do – by two accountants. And that is all so far as the officials are concerned. The rest of the staff will be the servants and the porter. Now I come to the question you asked, Vernezobre. I mean by ordinary safe the one that will contain all the specie and the notes, and to which Monsieur Fénelon, Bourgeois, and I shall each have a key. To begin with we are going to make notes to the total value of ten millions, of values of ten, one hundred, or one thousand *écus*. While we are talking about that, have you heard from Monsieur de Launay, Bourgeois? Monsieur de la Vrillière wrote to him on the 4th of May, and I am still waiting for the stamping machine.'

'The director of the Mint told me that he would deliver it to-morrow.'

'Good. And you have the seal?'

'I have it here,' said the treasurer, and took it out of his pocket.

'May I look at it?' asked Fénelon.

'It is very simple,' said Law. 'A woman standing holding up a cornucopeia, and with the words: *Rétablissement du crédit*. It will be used for sealing every note, without wax.'

Law turned round to speak to the Prussian.

'Supposing now that I have my ten millions of notes. Of these I place nine millions seven hundred thousand

livres with the seal and the engraved plates in the strong-boxes in the ordinary safe. I hand over the remaining three hundred thousand *livres*' worth of notes to the treasurer, and he gives twenty-five thousand *livres* out of it to each of the cashiers. As need arises Bourgeois will pay them the equivalent value in specie. That is what to me seems a very good arrangement.'

'And what about transfer books?' asked the man from Bordeaux.

'So far I do not see that we need them. We must allow a little time to the merchants to satisfy themselves as to the security of the whole affair. You must not forget that nobody in this country knows exactly what a bank that is based upon true principles is.'

Law gallantly offered Catherine the first note marked by de Launay's machine, and which Bourgeois, Fénelon, and Du Revest had signed, endorsed, and checked.

La banque promet de payer au porteur à vue la somme de mille écus en espèces du poids et du titre de ce jour, valeur reçue à Paris, le . . .

Catherine looked dreamily at the small piece of white paper bearing these words on it in black, and which she had heard spoken of every morning and every evening for the last fifteen years. She gently took John by the hand and saw that he was smiling as if he were a child. So he had attained his object, which she had always despaired of ever seeing him do. She forgot everything, the aimless wanderings abroad, the humiliations, their troubles. She gazed at him with renewed feelings of tenderness. He had really changed very little since the days when they were in Edinburgh and in London. His face was as

charming as ever, and his gentle, intelligent eyes had not altered either. And as for his slight stoutness, it in no way spoilt his grace. For the first time she really admired him, and told him so.

'I recognized your worth, but I did not think you were quite all you said you were.'

Though he was still smiling he had become a little more serious. Passionately he kissed her on the forehead. It was she who had been with him through thick and thin, and it was since he had known her that he had started the System. He leaned towards Catherine's ear so that his eyebrows lightly brushed the port-wine mark, and whispered:

'You have been the great love of my life.'

A man of forty-five does not lightly say a thing like that.

Their moment of emotion past, Mrs. Law asked in her ordinary tone of voice whether the arrangements at the Hôtel de Mesme were making good progress. He assured her that for the time being the Bank was to be carried on in the house of its originator. Otherwise nothing was being done. But since the previous day, when subscriptions had been opened in the Place Louis le Grand, several people had been, and this had caused some little stir in the house.

John for one subscribed a large sum of money, and so did William. Between them they were already in possession of the majority of votes. But he was anxious to have other shareholders. The Regent took steps towards finding them by telling financiers (with whom the Chamber of Justice was not concerned) in confidence that he would like to see them subscribe to the Bank. Most of them did subscribe – but not until they had very carefully gone

into the matter. Owing to the Regent, therefore, the rush for shares was fairly good, and Law was very soon able to call a first meeting, at which he explained the scheme in detail to his supporters. At times he was over-emphatic in his speech, being rather proud of his success. He received applause all the time, and especially when he said that a banker would deserve to be hanged if ever he allowed notes and bills of exchange to be in circulation without there being the cash equivalent to back them.

As they were leaving the meeting Monsieur Paris-Duverney – a leading financier, who with his three inseparable brothers had regulated the *visa*, and was certainly not lacking abilities even if he was short of scruples – remarked to his friends:

'I am taking shares in this because the Regent did not leave me any choice. But it is not a serious undertaking! He seems to think that the quarterly call is enough. What does that quarter represent, and 75 per cent. of which are in State bills amounting to some quite insignificant sums? Three hundred and seventy-five thousand *livres* in specie. With a sum like that I do not see Mr. Law turning the world upside down, as he says he will do. He is a fool!'

Opinion in general did not differ very much from that held by the eldest of the Paris brothers. People everywhere – in fashionable drawing-rooms and among members of the middle class – were inclined to laugh about the paper-money: it was said to be so easy to carry about, but nobody had any. A great many merchants were unwilling to take their money to the Bank because they were afraid that the Government would seize whatever cash they paid in. The Chamber of Justice was certainly

always very harsh and their mistrust was justified. Others who were a little bolder had taken notes, but, as they did not know how to use such novelties, they used them as if they were bills of exchange.

Law had expected some hesitation on the part of the public. And so while he had been putting the affairs of the Bank into shape he had written to his correspondents and agents all over Europe. He knew that for years past foreign merchants connected with Paris no longer dared offer their letters of credit in their own country and were declared bankrupts, for of all nations France was the one from which most cash was sent out. Law therefore informed his correspondents that ordinary inconveniences might be avoided by merchants, thanks to his establishment, which was to make all payments by means of the *écus de banque*, which could never vary in value. All they had to do was to do business on that basis. And so they did.

Business relations abroad were renewed, and it was not long before confidence was re-established, and then the cashiers in the Bank had no more time for guessing riddles and writing love-letters. At last people were beginning to grasp the meaning of the expression – it had really sounded very mysterious – *écu de banque*, and they no longer had a horror of paying in their money at the hôtel in the Rue Saint-Avoix.

This favourable beginning went on through the autumn, which that year was extraordinarily warm and dry, but saddened, however, by an epidemic of smallpox, by which the Duke, the Prince de Conti, and the Duke of Chartres were all stricken. For a short time Law was in a state of anxiety concerning his son John, and was on

the point of sending for the Frère du Soleil, the Jesuit apothecary, of whom the Duke de Saint-Simon spoke very highly indeed. But fortunately his alarms were unnecessary, and he was able to go on with his work undisturbed by any domestic troubles.

He had compelled the rates of exchange to be in favour of France. He went further, and put an end to usury. Good paper-money was never taken at less than 30 per cent. interest. Law reduced this rate of interest to 6 per cent. Money-lenders put up their shutters, and were all ready to oppose that queer fellow, John Law.

When the *abbé* Du Bois was leaving for London, accompanied by his secretary, Destouches, the comic poet, and taking with him the King's gold plate as well as some silk goods from Lyons, Law went to see him, and said laughingly:

'Monsieur le Chevalier – for that is what you will be called over in England – I shall be grateful to you if you will inform William (I have told him of your going, and he will do what he can to please you) of the flourishing state in which you have left the Bank. Your bank account in London will be made up at your own convenience. If you overdraw it you will give me the greatest pleasure. I am proud of helping to serve France by doing what I can for you.'

Towards the Duke of Noailles Law behaved in a totally different manner. He loaded him with flattery, praise, and compliments, not one word of which was sincere. As for the Duke of Orleans, he urged the President of the Council of Finance with rather less mildness than usual, for he, the Regent, saw in the Bank the basis of a still vaster enterprise. He had not forgotten the

conversations held at Marly, as well as those at the Palais-Royal, the five hundred millions which were to cost the subjects nothing, and all the other wonderful promises. His eagerness to see the materialization of these ideas made him desire a more rapid development of the Bank.

In October the Duke of Noailles had given in to the Regent's wishes, and had ordered all the receivers to send their remittances payable in Paris in notes, and to give receipts for these on sight as soon as they were presented.

In spite of the threat of revocation which this letter to the intendants contained, the receivers who dealt in bills of exchange scoffed at the warning.

Indeed, the Duke of Noailles was now in a very embarrassing position. His pride was ruffled at being disobeyed, and on the other hand, he was afraid of Law, for it could not be denied that no enterprise more useful than the Bank had been thought of. Consequently he was compelled to return to the attack on December the 7th, and issued a fresh order, which was both longer and more severe than the first.

Law was carrying out his idea consistently. He had always blamed the banks which limited the circulation of their notes to one place, instead of giving it to the whole nation, as the Bank of Scotland had done. So far he was not able to open branches in the provinces because notes were not yet widely enough used. But in order to get people accustomed to using them and to inspire general confidence, it was a good thing to have them accepted by the revenue offices.

Unconsciously Law was inclined to give the *Banque Générale* the privileges which he had put forward in

October 1715 for the proposed *Banque Royale*. He was in fact one of those men who never give up an aim without intending to return to it later on. During all his travels he had had too many splendid ideas to let one of them drop now that he was in a position to carry it out. Thus it was in this way that as a mere director of the Bank he made every effort to enact on a small scale the idea developed in Edinburgh at his famous Trade Council. He offered credit for undertakings in the interests of the public, encouraged useful works, was eager to help any honest bankrupt, gave advice to merchants, and in all directions he manifested activity which he had not shown for a long time past.

William declared himself to be always ready to help him with funds if ever he needed them. The faithful brother, who kept him informed as to all that was happening in London, soon wrote to tell him that he had been no less charmed by the beauty than by the wit of the Chevalier Du Bois.

The *abbé* returned to Paris at the beginning of January 1717 with the draft of the Triple Alliance between France, England, and Holland safely in his pocket. Spain had been definitely abandoned.

Thus, almost at the very same moment, there appeared before the astonished eyes of Europe two men hitherto unknown who had first made each other's acquaintance in a dimly lighted garret at the Palais-Royal. It was the best thing the Regent could do – to lean upon Law and upon Du Bois, for the success of each supported him. And as for them, working as they were in different spheres, their interest was to do anything but injure each other; but on the contrary they must combine against their

common enemy, the Duke of Noailles, for they were both already convinced that he would slip through their fingers if he did not first crush them one by one.

The lowered rates of interest which Law always forced upon the president of the Council were to bring him one final but considerable victory on April the 10th, 1717.

It was on that date that the Duke of Noailles consented to send to the intendants a third letter, in which he enjoined the receivers of the Bank's notes in settlement of taxes due, and to change notes for any gold and silver there might happen to be available in order to save the Prince and the people the expense of sending up the money by road.

By this means the increased issue of notes was allowed, which, according to Law, meant that currency was increased, and the Bank began slowly to distribute its benefits throughout the kingdom.

The country districts generally were easily inclined to resist anything new. The receivers were brought to a state in which they could no longer steal from anybody, and they made use of their accomplices, the bankers, for the purpose of calling for a meeting of the ignorant fellows. Bordeaux distinguished herself by making a lively resistance to the great fury of Fénelon, her deputy, who swore with his usual exaggeration that he would never go back to such a wretched city. The Duke of Noailles, raging with anger, for Law had become the terror of his life, was compelled to act harshly, and deprived Fériol and Siry, the intendants of Bordeaux and Lyons, of their office. These instances lessened opposition in the provinces. But among financiers in Paris, friends of the contractors, who looked upon Law as an altogether

too formidable rival, there was a strong but subdued echo of that opposition to be heard. Evidently the decree of April the 10th was preparing the ground for the general circulation of the notes.

Law was wise enough not to make a stand openly against these men, who really knew nothing at all. He recalled the perilous difficulties to which Paterson had been subjected at the hands of his colleagues in London during the early days of the Bank of England. Nevertheless he secretly prepared for a struggle with the Duke of Noailles, whose lack of ideas was plain to everybody. That minister had not taken with good grace the check – the suppression of the Chamber of Justice – which had been carried out at the end of March, as much with the idea of saving expense as to satisfy people who were thoroughly disgusted with what he did.

On June the 21st, 1717, the Czar left Paris, where he had been for a two months' stay, and took with him Law's promise to go and place his vast estates on a basis of prosperity as soon as he had finished his work for France. Immediately after this the Duke of Noailles was busily occupied by a new invention he had thought out. This was to form a committee, composed of several members of the Council of the Regency, which was to meet at the house of Daguesseau. The president specially hoped that Saint-Simon, Law's most terrible enemy, would be a member.

Saint-Simon did join, and was enraged to be the witness of so much wicked malice. Fully expecting to bring on an attack of gout, he went three times a week to the meetings, attended by the Duke de la Force, who had been very friendly with Law for some time, Villeroy, de Besons,

Pelletier-Sousy, the Archbishop of Bordeaux, and that dog d'Effiat.

From the first start of that committee, which was to be perpetual, it was obvious that the Duke of Noailles, while trying hard to find out untried expedients, was all the time keeping his methods in the dark.

The Regent told Law that the Duke of Noailles had proved to him that by following the principles of economy from which they had not yet deviated the greater part of the debts would be cleared off within fifteen years.

The director of the *Banque Générale* very nearly shrugged his shoulders, and informed His Royal Highness that he had just hit upon a fine new project. The splendid success of his Bank was making it possible for him to give his attention to something else. It was necessary in order to make use of the credit he had created.

Law went home, shut himself in his private room, and began to turn over a mass of papers contained in a leather case, upon which he had long ago pasted a neat little label bearing the words '*Compagnie d'Occident.*'

§4

SAINT-SIMON'S IMPRESSIONS

Every Tuesday morning at ten o'clock Law went to the house of Saint-Simon, with whom he remained closeted for an hour and a half or two hours.

It had not been without a good deal of trouble that the Regent had won this privilege which the director of the *Banque Générale* had long desired from the irascible old gentleman. The Duke of Saint-Simon had a contempt for finance, and said so. He considered the subject to be in nearly all respects vile and hateful, and its rules, forms, and phrases to be thoroughly repulsive. Law's persistence astonished him, and then it tormented him to such an extent that he might have guessed why the Scotsman so much wanted the visits.

'The man has brains,' he said to Madame de Saint-Simon. 'He has no intention of making me a clever financier. He has another object altogether in his mind. Knowing as he does that I am the servant of the Regent, who is most in his confidence, and better able than anybody to talk at ease with him upon any topic, Law is simply trying to make friends with me in order to get to know the private characters of those of whom he sees only the outer shells, and so, by degrees, he will be able at the Council to come to me concerning the obstacles he is wiping away and the people he does business with, in order to reap the benefit of my enmity for the Duke of

Noailles, who embraces him daily, but who would really far rather throttle him.'

Saint-Simon had exactly seized Law's motive, for the latter was fully aware of the feelings of hatred he had raised, and was now seeking support in all directions. He needed more than Du Bois, who was wholly engrossed in his foreign policy, and whose travels abroad kept him often away from the Palais-Royal. Always on the sharp look-out, he tried very hard to get hold of the Marshal de Villars, who, however, did not yield. He had been more successful in the case of the Duke de la Force, since he had been nominated vice-president of the Council of Finance in place of the Marquis d'Effiat, who had become a member of the Council of the Regent. La Force was a man who was for ever burning with anxiety to be somebody.

The Duke de Saint-Simon observed the confidence shown to Law and watched him. Du Bois, who knew him well, had made fun of him behind his back to the Duke – to whom he did not tell quite the whole story.

Parliament in England was just then discussing the Triple Alliance, when Pitt, father-in-law of Lord Stanhope, was suddenly seen to raise all his partisans in the House of Commons against the work effected by the *abbé* Du Bois. The British Ambassador in France soon found out the secret reason for this opposition. Mr. Pitt had bought a diamond from a man who had been employed in the mines of the Great Mogul, and who had brought it away from India secreted upon his person. Having in vain offered this jewel to King George and to several princes, Pitt suggested that the Regent should buy it, but the latter refused it. The Englishman was so angry at this

last refusal that he turned the whole House of Commons against France in revenge. The best thing to do was to give in. It was agreed that Law should receive the diamond, that he should present it again to the Regent, who would again have nothing to do with it, and that the Duke de Saint-Simon should be allowed to explain in suitable words why it had been acquired, though it was not necessary to say what had been the actual reason. The little man went cheerfully and in all good faith, and explained to the Prince and to everybody else that it would have been the greatest mistake to miss a unique treasure. Everyone seemed to accept his words, and he was exceedingly proud. When once the matter was finished it was necessary to give a name to the wonderful stone, which weighed more than five hundred grains. It was named the 'Regent.'

As a general rule it was only concerning his own affairs that Law took up the Duke de Saint-Simon's time.

On that particular morning, at the end of July 1717, Law laid before the little man his plan for the proposed *Compagnie d'Occident*. The Duke of Orleans had condescended to approve of the project, which its author had read out to him very slowly. His Royal Highness was still incapacitated from doing this for himself as he had had a ball in his eye when playing fives: the ball had struck his only good eye, which henceforth was the worse of the two.

Some of the courtiers said that the accident was the result of a blow of a fan from some lady the Duke had insulted. But in this they were mistaken.

Law was careful to avoid such an unpleasant subject of conversation with the most virtuous of lords and peers,

and it was more to his taste to expatiate upon the compliments which his project had elicited from His Royal Highness.

Saint-Simon approved of it too, and at the same time he warned the banker to be on his guard with the Duke of Noailles, who was the personification of falseness.

'I know him well,' said he, his eyes gleaming with anger. 'There is no shabby trick of the lowest kind that he has not thought of, plotted for, and carried out against me. That is why I never hide from the Regent, or from himself, or from anybody that the greatest and happiest day of my life would be when I could crush him to death. There is nothing I wouldn't give to see it.'

The Duke of Saint-Simon had risen to his feet. He was stamping with rage, shaking his fists, and grinding his teeth.

Law concealed the delight that these words caused him, and soon afterwards he put his papers in order, bowed, and withdrew.

It seemed then to be the right moment for starting the *Compagnie d'Occident*. Fortune was smiling upon the originator of the Bank; Europe was being swept by a craze for colonization, and there was not a country which was not in some way affected. In Amsterdam Law had seen for himself how the great Dutch East India Company carried on its operations. This was the first company of the kind, and, founded in 1602, it had been the model for others in Europe. William had kept his brother informed as to the progress which had been made since 1716 by the flourishing South Sea Company, favoured as it was by the Treaty of Madrid as well as by the declaration of the Regent, who in January of the same year – for the

sake of mollifying Phillip V – forbade all Frenchmen under penalty of death to sail in the Southern Seas. He was also aware of the plans in the mind of Fraser, the brother-in-law of Lord Peterborough, and which he had laid before King Frederick of Prussia with the intention of resuming trade relations in Asia and Africa; and then there were the projects of Baron Goertz, financial adviser to Charles XII of Sweden, and which were studied by Cronstrom and Mendal, and which in the first instance were due to two French adventurers named Linange and Lagallerie.

The country which Law loved more than his own must not, in his opinion, be allowed to lag behind, however slight may have been the encouragement won by the colonial efforts of Colbert. Most of the old companies had either failed or were dragging feebly on. The most recent was the personal achievement of Crozat, who in the year 1712 had bought the trading rights of Louisiana for fifteen years. This territory had been given to the King in 1682 by La Salle, who had lately discovered a part of the course of the Mississippi. During the gloomy days of the Chamber of Justice the richest man in Paris had generously sacrificed the benefits derived from a monopoly which was bringing him in nothing. He made no secret of the matter to Law, when the latter went, looking very innocent, to ask him about general conditions in Louisiana.

There were nothing but sighs and groans. The Continent was quite worthless. The gold-mines about which there had been so much talk were nothing much. There was no business that had ever given him so many worries. La Salle's successor, Iberville, had been poisoned in some mysterious way the very moment he took possession.

Then the King had sent in that man's place a fellow no one could endure, a soldier, Lamotte-Canillac, who was at once at loggerheads with Duclos, the chief administrator. They never agreed except to speak evil of a certain Bienville, a brother of Iberville, who in his turn treated them both as ignorant, helpless creatures. This man Bienville pretended that he had claims to govern the country because he had lived there for years and had made himself beloved by the savages. Exasperated by the senseless quarrels between Canillac and Duclos, Crozat went on to say that in 1716 he had had them recalled. But the new Governor, Lépinay, had had nothing more urgent to do than to hate the recently appointed commissioner, Hubert, who on his side reproached the other for lacking in kindliness towards the savages, who treated him as if he were a mangy old dog.

'When I saw all that going on,' exclaimed Crozat with a gasp and holding out his arms in despair, 'I had one wish only, and that was to give up Louisiana altogether.'

'Whatever made you choose such fools?' asked Law calmly.

'I had to send what Government offered me. Few officers were willing to set off at all to such a frightful place. You know what is generally said of a man when he has been condemned to death: that he ought to go to the Mississippi.'

'If I had anything to do with it I should have men out there under my own orders.'

'Do you mean to say that you are going to devote your attention to Louisiana?' and Crozat had an unpleasant look in his eye as he asked the question.

He was already frightened beforehand that another might succeed where he had failed, and he went on speaking even more bitterly and ironically.

'Would you be so foolish as to believe the silly tales of Father Hennepin? He is a notorious liar. Wild bulls with wool instead of hides! The most marvellous vines in the world! The immensely tall cotton plants! He lays claim to having discovered coal, copper, and lead enough for the whole kingdom of France. If he were not dead I would ask him to say just where he saw such things. But doubtless they were visible only in his own imagination – the imagination of a madman.'

'Now and then he exaggerated,' Law admitted that. 'But he often did tell the truth. I have read the works of Penicaut and consulted the excellent map which Monsieur le Maire, the Parisian preacher and missionary, made.'

'Penicaut!' cried Crozat, laughing. 'The Indians and their temples! The pipe of peace! The dances and the customs of Natchez! Oh, yes, I know all about them. But I can tell you exactly what Louisiana is in reality. A flat shore, wooded with pine-trees, dry and parched, and enduring a burning heat owing to the fine crystalline sand. And further inland? You ought to go and see it. According to the Canadians the Mississippi river winds through the finest country in the world, and, moreover, a land of gold. But that is a river of such a terribly swift current that its source has never yet been fully explored. The climate, added to all that, is impossible: at one season it is hotter than in the tropics, at another it may be colder than the Poles. And on the top of that, and perhaps the least pleasant of all, there is the proximity of the Spaniards, who have got hold of the mines in Mexico.'

'That is no concern of France, and they do not frighten me.'

'You are a good pupil of Du Bois. But it will not be that old monkey who will be the target when your men are fired at by those fellows out there. Believe my words, Mr. Law, whoever they are who are dragging you into this redoubtable undertaking are either fools, or else they are jealous, sly wretches laying a trap for you.'

The contractors of taxes agreed with Crozat, and laughed heartily at the ambitious John Law. Paying no attention to the rumours circulated by such foolish people, Law placed the management of his company, which would be looked upon as having been authorized by the Councils, upon a new basis.

He claimed the monopoly of the Louisiana trade for twenty-five years, and of the trade in beavers with Canada, and such trading was forbidden to all subjects under the penalty of confiscation. He gave all his ships the right to seize all vessels carrying contraband goods. He made himself exempt from State and town laws, and tolls due on the Seine and the Loire. He conceded to himself in perpetuity the coasts, ports, and harbours of which the colony was composed, and to reap the benefits of all as owner, lord, and judge. He made himself owner of the mines, and authorized himself to sell and otherwise to dispose of parts of the concession. He made payable to himself the duties payable for forts, shops, houses, cannon, boats, and other objects in the possession of the King in that country, as well as the ships and merchandise delivered to His Majesty by Crozat. He reserved for himself the right to make treaties, to make war (or peace) with savage nations, to build fortresses, raise garrisons,

and, finally, to have recourse to arms for purposes of upholding a state of complete freedom in trade. He nominated governors, general officers, and others of his troops said to be in the King's service, and judges who would carry out the laws as they were administered in Paris. He bestowed a coat-of-arms upon the Company; it was on an elaborate shield supported by two savages, and surmounted by a trefoil crown.

Thus the man whom great states and insignificant princes had alike sent out of their lands became a powerful merchant king who owed only to the King of France his faith and homage.

He trembled lest the Duke of Noailles might suppress some of the articles he had drawn up. But, on the contrary, the president of the Council of Finance approved of everything with a most amiable smile. Then Law began to be afraid. What was hidden under that unexpected approval? It was not long before he knew.

The committee had achieved its work after weeks spent in tedious discussions, and made unanimous resolutions. Saint-Simon himself had nothing against these resolutions, for he thought of nothing but the untimely convocation of the States General upon which the Duke of Noailles, at his wits' ends, had decided, before creating an 'office of dreams,' where any number of projects and ideas invented by members of the public were to be received and speedily annihilated – for there was no lack of persons throughout the country who believed themselves competent to place her finances upon a sound footing once again.

The president had intended to let the founding of the *Compagnie d'Occident* depend upon the decisions arrived at by the committee. So when once the undertaking was

accepted he required Law to submit to him an explanation of the financial part of the affair.

The director of the *Banque Générale* had intended the capital of the *Compagnie* to be one hundred millions divided into shares of five hundred *livres*, differing from those issued by the Bank, for any one was entitled to buy, to sell, or to trade in them, just as he thought fit.

For the first time were offered to the citizens of France holdings which Law called 'made to bearer.' Thinking of William and their friends, he claimed that any persons living out of the kingdom of France had the right to acquire them, and that His Majesty, in the event of the death of such persons, would renounce in their favour his ancient right of *Escheat*, as of confiscation owing to the outbreak of war and such causes.

The Company must present a balance-sheet annually, and this should be examined at the general meeting, at which shareholders were to be entitled to one vote for every fifty shares. As for the payment of these shares, Law was inclined to let it be partly in State notes and partly in specie.

It was at that point that the Duke of Noailles was ready waiting for the banker! He insisted, for his own part, that the payments were to be made in State notes only.

Law exclaimed. With the wretched paper-money losing 70 per cent. of its value, there could not possibly have been a better way of strangling the Company. All he now asked was to benefit in some way the Treasury, which was already so deeply involved in debt: in exchange he ought not, at the least, to be hindered from giving his business a chance of prospering. The selfish minister of State remained stubborn. In vain did Law make his

supplications, and then, though with all the respect due to such an all-powerful officer of State, he became almost threatening. He had the courage to say that he gave it up, and went to complain to the Duke of Orleans, who, though upholding the financier, refused to decide against the Duke of Noailles. Law hesitated, but out of consideration for the Prince he gave in at last, hoping that in such unfavourable circumstances his genius would inspire him.

It was then agreed that the hundred millions of State paper-money produced by the Company's subscriptions should be destroyed and the four million *rentes* paid back to it, and which the Company in its turn undertook to distribute among the shareholders, who in this way were sure to get 4 per cent. of their money in addition to the benefits derived from the whole affair itself. This combination increased the novelty of the holdings. Finally, it was settled that the first distribution of profits by the State should be acquired by the Company and constitute its capital.

Law had asked for one hundred millions, which, owing to the presence of paper-money, must be reduced, in his opinion, to forty millions. They granted him four millions. After this brilliant stroke he was ready at any moment to pick a quarrel with the minister, who was really too artful.

On August the 27th the Duke of Noailles, in triumph, took four decrees and one Royal declaration to the *Parlement* to be registered.

The first decree related to the suppression of the 10th. In the end a government is always obliged to keep her most imprudent promises. The second had to do with the creation of one million two hundred thousand *livres* in

rentes, and the third was concerned with the sale of estates. There were some men who went so far as to ask for the revocation of the letters and patents granted in 1624 and 1667 to forbid any buildings and alterations to be made in the space of ground intended for the Louvre. The fourth decree was to propose a lottery to be drawn every month, and with tickets costing twenty-five *sous*. Prize-winners (they won according to what they had put in) were to have the equivalent of their gains in State notes, the interest of which was to be converted into a life annuity for the winner. This led up to the founding of the *Compagnie d'Occident*, in which no one seemed to see anything but a vast machine which would swallow worthless paper-money.

The *Parlement* – there were so many foolish members in it – did not take the matter in the right way. The system of management, in their opinion, was not solid enough. Both Chambers declared that they were unable to express their decisions without mature deliberation. It delighted all those lawyers, hoping for secret bribes, now and again to make a parade of their independence! Consequently they humbly begged the Duke of Orleans to furnish the commissioners of *Parlement* with a fully detailed statement of the revenues of the King – ordinary and extraordinary – the charges of the said revenues, as well as a statement of all outstanding debts.

On Monday, August the 30th, Monsieur de Mesmes, the president, made his appearance at the Palais-Royal and apologized profusely that as a judge he was obliged to go into matters which otherwise he would have had no doubts about.

The Regent replied that no interference with the Royal

authority should be made while he was responsible for it, and turned his back on the president, muttering to himself 'that he would never let himself be imposed upon by those fools.'

The next day the Duke of Saint-Simon and Law congratulated themselves upon having made such a wise proposal, while the cowardly chancellor, Duguesseau, supported the opinion of the Duke of Noailles, who in his turn was no less afraid, and who went to implore the Regent to give way; and that is what the easy-going Prince did.

On Sunday, September the 5th, Monsieur le Nain, the head of the *Parlement*, and the fourteen commissaries presented themselves at the Palais-Royal at half-past ten, as they had been commanded to do. The Duke of Orleans was at one end of the office: at the other end stood the Duke of Noailles, behind a small table littered with registers, accounts, and all kinds of papers. Mr. Law was brought forward so that he might describe in full the advantages of the *Compagnie d'Occident*, and, as usual, he expressed himself well in the presence of the 'old foxes,' whose manners, however, caused him much inward vexation.

On September the 13th the *Parlement* decreed that the statutes of the *Compagnie* should be confirmed by letters patent and registered at court. The edict concerning the four million *rentes* was not passed so quickly, but that was registered also in December.

Law had tried to obtain from the Duke of Noailles and his followers (Rouille and the others) several thousand shares payable in specie. But rather than please him in this the president of the Council of Finance preferred to

let him have more of the notes. That accounted for the break between them. The chancellor, with his servile attachment to the Duke, and not noticing any personal ill-will, gave his approval and his support to his colleague. The Duke de la Force, on the other hand, defended Law, and this brought about a great quarrel between La Force and Noailles.

The Duke of Orleans wanted to smooth things over. He had enough to worry him with the bishops and the *Unigenitus* Bull to be tempted to try others, and towards the end of October he ordered the Duke of Noailles and Law to come to a reconciliation. He believed he had managed to bring this about, but the sincerity of the banker on this occasion met with nothing but the bad faith of an ambitious man, rendered bitter and jealous by the Regent's protection of his opponent.

The anger of this most mischievous person, who even hoped that the Bank itself would fail, increased steadily through the month of December.

The Bank held its general meeting, in the presence of the Regent, on the 20th. The resolutions taken had received everybody's approval. He had granted the shareholders a dividend of $7\frac{1}{2}$ per cent. for six months. This obvious success made the Duke of Noailles green with envy, for it was in addition to the acclamations which Law had received elsewhere when expounding his plans concerning the *Compagnie d'Occident*, and which the public was now beginning to call the Mississippi Company.

Had not somebody actually shouted out: 'If you keep your word you will deserve to have a statue,' while the whole crowd together called, 'Yes. Yes. We shall put you up in the finest square in Paris.'

The Duke of Orleans, whom the two enemies greatly harassed, was anxious to put an end to the trouble once and for all. He commanded the Duke of Noailles to let him go to his house and to give him supper on the 6th of January 1718 in the charming house which Noailles had hired from a rich man named Du Noyer at Roquette, a part of the suburb Saint-Antoine, and to be there in good time so that there would be time to work at leisure with the chancellor and Law under the eyes of the Regent.

The meeting lasted a long time, and the Regent went away from it quite convinced that Daguesseau was, of all the chancellors he had ever seen, the one most devoted to mere forms, formalities, and red tape. He drank nothing but water, was absolutely self-centred, and was such a slave to the Duke of Noailles that he would deny the plainest reasoning of Law, and uphold what he said himself with stupid blindness. As for the Duke of Noailles, he was not a genius, as he in his own lordly way was inclined to suppose – but an inferior sort of man. The darkness into which his stumbling might lead him was apparent now to the Regent. Du Bois had been quite right.

His Royal Highness took part in the entertainment at supper, but said not a word. He prepared to rid himself of these not first-rate leaders, who were always so ready to give way to the *Parlement* to which he, the Regent, behaved rather stiffly on account of the unavailing claims which had been made in the previous September.

The Duke of Saint-Simon approved such a wise decision – for indeed it suited him in every way. It satisfied his hatred of the Duke of Noailles, relieved Law of his harassing opponents, and, above all, it humiliated those cursed lawyers.

The Regent had decided to bestow the offices of the Seals and Finances upon d'Argenson. He had not forgotten that the head of the police had once rendered him a great service by loyally declaring the Prince's innocence at the time when the late King had suspected him of having poisoned the Duke of Burgundy. It gave him pleasure now to put forward such a worthy man; he was witty and in possession of any number of secrets, very ambitious, and at the same time an enemy of the *Parlement*, which had been able to do very little with him. His connexion with the *abbé* Du Bois, the good terms he had been on with Law, anyhow since the Regency began, seemed to make this choice the right one in every respect. The banker would have nothing to hinder him in his business, and instead of a man who trembled before authority the Regent would have a Keeper of the Seals alert and in readiness to act.

Otherwise, now that he had ceased to show his terrible wig in public, and in spite of his really incredibly ugly face, he was a pleasant enough fellow, with a partiality for women.

Saint-Simon, who was wonderfully good in the management of detail, obtained the permission of the Regent to make arrangements with d'Argenson.

Although the Lieutenant of Police was as dark as an Egyptian, he became darker still when the excited little man, shut up with him in his closet, had given him to understand that he was to have the office of Finances, but that that was to be under the control of somebody else. This was not an arrangement at all to suit a bold, proud character such as his. But the Seals attracted him very much. He remarked that he would prefer to hold only

the Seals. This made Saint-Simon roll his great eyes and say that the two offices could never be separated, and that it was just as necessary to be supple with Law as to be stiff towards the *Parlement*. D'Argenson accepted the double office when he heard that, and at half-past ten, after exchanging compliments, he returned to his coach, and Saint-Simon ordered his own to drive him to the Palais-Royal, to give a full account of all that had passed.

This second meeting did not end until nearly midnight. The Duke had at once sent for La Vrillière, whom he entrusted to go at eight o'clock the next morning and reclaim the Seals from the chancellor. He was also warned to send La Vrillière to Fresnes, who was then at home, and who was not to stir out of the house.

On the following day – January the 28th, 1718 – the Regent had scarcely received the Seals when the Duke of Noailles, informed of what had happened by a note from the chancellor, burst into the Prince's closet, and, pointing at the Seals still lying on the table, asked why they were there, and wanted to know for whom they were destined by His Royal Highness.

As Lieutenant of Police, the other could hardly restrain himself from coming into the room.

Noailles said angrily, 'As the plot is removing the chancellor, monsieur, I wish now to resign my office in the Finances.'

'You have no request to make?'

'Nothing whatever.'

'I had in mind a seat on the Regency Council for you,' the Prince observed.

'It would be of little use to me,' and so speaking the

Duke of Noailles withdrew with some show of insolence and a curt bow.

D'Argenson was then sent to the Palais-Royal. On the stroke of three o'clock he took the oath to the King and carried away the Seals. He went to show then to Madame de Veni, mother superior at one of the convents in the neighbourhood of Saint-Antoine. He thought they would amuse her. He was exceedingly fond of that woman, and went every day to pay her his attentions, though by so doing he greatly displeased his family.

Never did Du Bois drink his cup of milk so cheerfully as he did that same evening. Law fared considerably better, but in equally pleasant circumstances. As for the Regent, however delighted he may have been, he spent his night as he was said to spend it ordinarily.

§5

TORN TWO WAYS

By the spring of 1718 Law had already formed his opinion of the kingdom in which he had been living for two years and a half. That opinion compelled him to alter his mode of attack while still adhering to his true principles.

Moreover, he was anxious to be associated with the State in saving the finances and in restoring credit. If he intended all along to make the country rich, he now sulkily rebuffed any unduly close union with the government, although the Duke of Noailles had been removed. His idea had been – in the time of the late King and during the early days of the Regency – to have the Bank under the control of the *Parlement*. He now knew the true value of that body of men, who placed no confidence in him and who one and all were nothing but a lot of arrogant, servile creatures.

If the genuine love he felt for France was not lessening, it secretly reproached him on account of Catholicism. Was that because he was a Protestant? No; he did not trouble himself very much about religious matters, for he was not even certain which was his religion. But he was a Scotsman. England, which he detested, and Holland, which he admired, had both made their impression upon him. And he had to admit that the great commercial and banking movement just then influencing

the whole of Europe obeyed for the most part impulses given by Protestant nations, for they were the nations which had inherited most from the Jews, and seemed to be most capable of benefiting from the changes to be actually brought about.

In his heart Law most wished to make his Bank into a 'State within the State'; this was his dream, which he never mentioned to anybody.

Why was it that the Regent, who was so anxious to be like Henry IV in all ways possible, would do nothing to help him? It gave Law the uneasy feeling that without his help he would not be able to build up anything on a solid foundation.

Here were these flippant people moaning all the time about their poverty, and then laughing if they were scolded: really they did not seem to know what money meant. As to those silly fellows who carried on war, they knew nothing except how to caress a woman with one hand while they begged with the other. The late King let them become too well accustomed to begging. Law was fully aware that it was with that object that so many crowded round him: the Duke of Bourbon, for one, was a man who could never be satisfied, and the Prince de Conti, Monsieur de Lassay – the paid lover of Madame la Duchesse, the elder, and perhaps her husband. And in addition to these who first came to his mind there were any number of others.

Ah, well! even such as those were preferable to the noisy, talkative Council members, who were all for pomp, formalities, and speeches, and simply spluttered out their words, making as much parade as they could of their bombastic ignorance and carrying out their business as

if they were arranging a ballet. There everyone, from the highest to the lowest, from the cleverest down to the greatest fool among them, they all behaved as if they were on the stage. First there had to be the Duke of Noailles with his registers, and looking very busy, followed by a long row of clerks. Du Bois was a man who would easily come to behave just in the same way. Had he not at the Hague, just for the sake of astonishing Stanhope, pretty nearly buried himself in masses of papers and documents, sheltered by untidy heaps of books, and with quill pens stuck into everything, in the inkpot, on the table, and in his own wig? D'Argenson managed better than that. He held his interviews with people at two or three o'clock in the morning, he worked and took his meals in his coach by candle-light, and never forgot to search in his pockets and shake his papers in the hope of coming across the Seals. These were constantly being mislayed in all sorts of places.

After the fall of Noailles there were many who assumed that Law had already been made the head of the Finance Department, because almost every day he worked at the Palais-Royal with the newly-appointed Keeper of the Seals, and often with the Regent also present. Evidently he was there to advise them. He was there chiefly for the purpose of clearing away the obstacles raised by the Duke of Noailles and his Rouillé. Everything got done much quicker now. The Duke de La Force, a mild, easy-going man, concerned about nothing in the world but his own purse, presided over the Council of Finance in his idle, gentle fashion. This gentleman was not without brains, but he was by nature greedy. He would at all times have done anything, literally *anything*, for the sake of gold.

It was he who proposed to the Duke of Orleans that the brothers Paris should be charged on their farm contracts. Law had nothing against this suggestion, neither had d'Argenson, who, according to custom, was then entitled to wine valued at one hundred thousand *écus*.

These four brothers Paris were natives of Dauphiné, and had been born in a tavern; among financiers they were stars of the very finest lustre. An extraordinary chance – partly owing to the war on one hand and to the feelings of vengeance of a manufacturer of munitions, who happened to be in love, on the other – had drawn them from their village, and very soon from their state of obscurity. They possessed an immense fortune which they had made as army-contractors. At the time of the Chamber of Justice, the Government, considering what they had done with reference to the *visa*, spared them, for political reasons, the harsh treatment they deserved. By way of acknowledging this leniency they had subscribed (without any pleasure) for shares of the Bank as well as of the *Compagnie d'Occident*.

Law wanted to see the brothers Paris, powerful as they were, take some active part in the work he was now carrying on: for he foresaw that in the long run the hostility, certainly it was more or less disguised, shown towards him by the brothers and openly by Crozat, must be dangerous. Therefore he took one of them aside – it was Duvernay, the eldest and the leader of the four – and gave him to understand that he was a favourite with the Regent; he went on to propose some kind of association for them with him. In his rough, countrified way the financier refused anything of the sort. Law became threatening in his manner, and Duvernay told him that through his

correspondents abroad he had got to know quite enough concerning him and his projects. . . .

Duvernay was not only aware of the checks that had been given him in various countries, but he went so far as to accuse him of being merely the imitator – the vile imitator – of Baron de Goertz, who had limited the circulation of cash in Sweden to that of copper, suppressing gold and silver altogether.

'You have invented nothing, and I shall get on better without you,' was Duvernay's final remark.

Instead of improving matters the director of the *Banque Générale* had only contrived to make himself four new enemies, who were, moreover, leaders of a powerful clique on which very soon the Head of Police laid a hand.

D'Argenson was just as much exasperated by the protection which the Regent extended to Law as the Duke of Noailles had been. His sinister character prevented him from enduring any one, and this man's authority weighed upon him. Although he was totally ignorant of finance, he took himself very seriously. The Regent was so much outraged by this that he called him a hypocrite and threatened to have him hanged. On one occasion he humiliated him so greatly, and in the presence of the Court, that the poor man was ill for ten days afterwards. 'If only the fellow would burst,' groaned His Royal Highness. Saint-Simon, too, was enraged against his dupe. Everything the man did was quite contrary to his promises made as Head of the Police. He now regretted that he had condescended to go near him, and reproached himself for having been ignorant of the absurd intrigue with the prioress, which would end in being laughed at by the common people everywhere.

So far as Law was concerned, he had in vain tried to advise d'Argenson against the queer raising of the money rate which he had in mind. Unfortunately that was the best way of persuading the latter to do it.

There were the four Paris brothers upholding and, in their underhanded way, even guiding the obstinate ignorance of the Keeper of the Seals. They often saw each other at night-time unknown to other people, for they lived in adjoining houses communicating by means of a secret door.

Here it was that the Paris brothers informed d'Argenson of a fine project they were going to put into operation against the foreigner.

The farms were bringing in one hundred millions, and had paid of this forty-eight. The intention of these men was to exploit that bail by means of a company of shareholders in all respects similar to that of the *Compagnie d'Occident*, which everybody, the chief contractors more than any, would be willing to support. The benefits to be drawn from this business would attract the public by its soundness – very different from the far-away Louisiana. And at the same time they would be smashing up the sham System of that impudent Scotsman.

The Paris brothers chuckled with delight, while d'Argenson rubbed his hands. The only thing the latter asked of the others was that they should not take any definite action until he had settled his own score with the common enemy. Without troubling himself about Law – they were only simpletons who trusted the Scotsman to clear off their debts – he, d'Argenson, was going to breathe very roughly upon the State notes. The trick he had in his mind, and of which he was very proud, was nothing

but another new foul trick to be played off upon the public. He was going to offer his ever-trusting dupes a new currency at a higher rate against the former one of higher metal value, and the remainder was to be made up in paper-money fit only to be confiscated.

While these underhand plots were being put into shape, Law was ceaselessly at work organizing his company. Its financial position was not over-promising: at the end of so many months the shares had not all been taken up. The whole undertaking would have had to fall through if the Bank, prospering more and more, had not supported it. The very slight enthusiasm shown by the mass of the people for the Mississippi shares in no way damped the spirits of the Scotsman. This confidence was generally felt by his nine fellow-directors: Artaguette, Duché, Moreau, Piou, Castagnaire, Mouchart, Raudot, Boyon d'Hardancourt, and de Mouchaud. They were rich and some were in trade; some were connected with the marine department, or they were intendants. In the question of management they were all upon one equal footing, but Law was nevertheless the chief.

His first aim had been to put the colony into a state of order. He started by sending Lépinay out to the Isle of Grenada,and then nominated in his place, as commander-general, Bienville, who was evidently more familiar with the country where he had been living for some years than could be the cleverest official just sailing off from France. Law retained only the intendant-commissary, who seemed, now that he was separated from his enemy, ready to take an active part in affairs. In his well-prepared memorials, Hubert was asking for families of the labouring and artizan classes to be sent out, and he recommended the

cultivation of indigo, rice, and tobacco, as well as silk-worms.

The mines interested Law more than anything else. He made Lamotte-Cadillac come to his house in the Place Louis le Grand, and begged him to let him have a specimen of lead which the soldier pretended to have discovered. This was sent to the *abbé* Bignon of the Académie des Sciences to be tested. The former governor treated the director to a discourse besprinkled with many oaths, and in which he clearly expressed his hatred of the accursed place. Law hastily interrupted him. He did not care to hear his divagations, and besides he was very busy. . . . Monsieur de Latour and Monsieur Perrier, two engineers whom the Company had engaged, were waiting in the adjoining room. Monsieur de Latour was to go with the first party of colonists. Perrier was entrusted to lay the foundations of a town to consist of sixty-five rows of houses, each of which was to be formed of twelve blocks, a church, a building to be used for purposes of general administration, a residence for the Government, two barracks, a prison, and a general shop: the whole was to be called New Orleans.

Law thought of everything. He himself went into details with the men who were bringing in recruits from among the contraband salt-dealers and beggars of all kinds by telling of the splendours of Mississippi. He was assured that by the summer there would be several hundreds of men and women collected.

As his mind was taken up in turn by his distant kingdom of Louisiana and by La Rochelle, where his fleet was lying waiting his orders, Law paid but little attention to the behaviour of the Keeper of the Seals, which was becoming

more and more mysterious. D'Argenson plotted even with his clerks, who looked for what their chief could get ready, locked up in his office with his two sons. The young men copied and recopied a confidential letter from their father to the intendants, to whom the minister was making the announcement of the famous decree concerning the currency. This appeared on May the 11th registered by the Mint.

The *Parlement* did not approve of that proceeding, and after June the 2nd there were signs of agitation beginning in both chambers.

D'Argenson raised the value of the *louis* from eighteen to thirty-six *livres*, the *écus* from four *livres* ten *sous* to six *livres*, and invited the public to appear at the Hotel de Ville, where sixty *livres* in the new currency would be given them in exchange for forty-eight *livres* of the former currency and twelve State notes. This operation benefited the Treasury to an enormous extent.

In the opinion of the lawyers it was decided, on June the 14th, that this was serious enough to render it necessary to convoke the Royal Courts, the Court of the Exchequer, the Board of Excise, and the Mint to a general conclave on the following day. Owing to the absence – either voluntary or under compulsion – of certain officials the meeting had to be postponed until the 27th. *Parlement* soon decided to oppose the measure alone.

On Friday, June the 17th, the first president, Monsieur de Mesmes, accompanied by the deputies, presented himself at the Palais-Royal to demand the suspension of the decree. The Duke of Orleans would not give way in the very slightest degree, and ordered the troops to be prepared to be called out.

On the 20th they were called out – to go to the Mint and to the Bank – in reply to more insolence manifested by the *Parlement*, which was actually forbidding notaries 'to make any payment or repayment otherwise than by means of the currency in circulation up to the 30th of the previous month.'

This order of *Parlement* was cancelled immediately by the Council of State called by the Regent. Soldiers were sent off at once to the printing-office at the Palace to destroy the notices, and others were despatched at their heels to use compulsion if necessary to make people accept the new currency.

Parlement continued to insist. On the 27th it went in a body to remonstrate to the King, and on July the 2nd it returned to receive its answer from His Majesty. This answer, in d'Argenson's words, was of an 'exemplary harshness,' and the lawyers were quickly sent about their business.

Law privately looked on these tenets with uneasiness. It was plain that there were endeavours to incite the masses of the people against the Government in misapplying the support of the public. Behind Monsieur de Mesmes there were the illegitimate sons of the late King, who a year earlier had been deprived of the right to inherit the crown. Sons? To put the matter more accurately, it was only the Duke of Maine and his tiny wife – she was no taller than a child, but possessed of monstrous ambition – and who had asserted without a blush that 'she would set the whole kingdom in flames for the sake of not losing the right of succession.' Brittany, agreeing with them, began to complain, and Spain was secretly discontented. Were not the Duke and

Duchess of Maine closely linked – by means of the go-between, the ambassador, Cellamare – with the son of the gardener at Placentia – the proud, redoubtable, self-willed Cardinal Alberoni – the chief minister of Spain and master of his King, Philip V, who was entirely given up to love affairs. Oh, how hot and stuffy it was in Paris. . . . Were they all heading for another Fronde, supported by the leaders of the old Court and Villeroy?

Catherine and John were most uneasy. They remembered the riots in Edinburgh without any feelings of pleasure. What would become of them if the cabal removed John, or if the Duke of Orleans was out of the way?

'And the whole of our fortune is in your undertakings,' said Mrs. Law with a sigh.

'That does not matter very much,' answered her husband. 'I am thinking more about the Bank than about anything else.'

But he never forgot the Company either – whatever his feelings happened to be.

On August the 12th he sent out orders to the captains of his ships, *Victoire*, the *Duchesse de Noailles*, and the *Marie*, to set sail for Louisiana on the 25th of that month, and intimated to them at the same time that there would be eight hundred people to sail too; and then, suddenly, a thunderbolt burst in Paris.

The *Parlement* personally declared war upon Law. Its collective fury required a victim at the same time more innocent and less dangerous than d'Argenson – and chose the Scotsman.

It was a terrible decree. The Court of *Parlement* ordered the Bank to be reduced to the terms of its opera-

tions as specified by the letters patent of May 1716. Consequently the Bank could not detain any of the Royal moneys, and thus the privileges which had been won with such great difficulty from the Duke of Noailles were annulled. In addition, 'all foreigners, even if they were naturalized, were forbidden to take part directly or indirectly or in any way to share in the management and in the administration of the Royal moneys.'

Law was aghast when he read the copy brought to him. One angry movement on the part of the 'lawyers' was thus upsetting all his work, regardless of the further good he might be able to do and had already achieved. With a gesture of disgust he swept aside the despatches for the captains at La Rochelle, and gave way to his fury. What had those people against him? Did those fools – they were not only fools, but sly sneaks as well – believe that he had been really capable of instigating that idiotic decree issued by the Keeper of the Seals? He shrugged his shoulders. In that case he must continue the struggle. First there had been the Duke of Noailles. Then there was the *Parlement*. Who, or what, was to come next? He was weary and even disheartened by all these rebuffs! He was not seeking his own interests: he had never desired anything but the good of the kingdom! And now everybody hated him, and were hunting him down as if he were a wild, ferocious animal. It seemed to him that their ignorance was taking revenge on his genius. At that moment he wished to flee. All he wanted was to resume his free, vagabond life. But what would Catherine say to that? And then he must think of his children. Moreover, he must keep the promises he had made: honour compelled him.

'If I were the Regent I should have all the members of the *Parlement* thrown into prison. Their games have been going on too long.'

He became threatening because he was frightened, terribly frightened. He had once very nearly been hanged – and he had never forgotten the experience. His teeth were chattering. He had an odd feeling in his bones, and he shivered. Would he not be ill-treated in some way? Who knew? They might attack him in the night, and perhaps kill him. 'What are they going to do without me?' he sighed, and felt sorry. He made a plan for abandoning them, and was then immediately afraid of seeing them deprived of his vast abilities. Surely his head was giving way. He held it with both hands under his heavy wig and tried hard to think.

The Duke de La Force entered the room at that moment, and noticed the fingers bent upon the fair curls – and they reminded him of the claws of a dead bird. In the arm-chair the bowed-down back looked as if it were waiting to be struck.

Law rose to receive the visitor, but without hiding his discouragement. It was impossible to carry on work seriously in this country.

'And Du Bois away!' he said, speaking to himself.

'He is just returning. He leaves London to-day or to-morrow. The little *abbé* is not indispensable to you; am I not at hand?'

'And Monsieur le Duc de Orleans,' jeered Law, now almost aggressive.

'And he also,' repeated the other, who was well enough disposed towards him.

Being in a hurry to act, the Duke de La Force quickly

took Law to the Palais-Royal with him. For five or six days he had nothing but a constant struggle. He roused d'Argenson, set him as much as possible against the *Parlement*, and urged him to compel the Regent to action. He went to Saint-Simon, and assured him that he had made up his mind to fight his hardest against the 'lawyers,' if he were allowed the seat on the Council of the Regency which he so greatly coveted. All in one he was defending his own interests and ambition, the Bank, and the State.

Law, on his side, took the Duke de La Force to the Regent, for he was greatly upset – he was overburdened with shares and ready to do anything rather than lose them. The hatred which animated him against the Duchess of Maine, his aunt, made him all the more anxious to have in his hands the education of the King, whom the husband had in charge.

Du Bois returned straight into the midst of this haggling. He brought with him the new treaty of the Quadruple Alliance in his pocket, and, proud of the victory he had won, was very little disposed to see endless numbers of people all reading the recently published Memoirs of the Cardinal de Retz, confusing Mazarin with Law, and starting over again all the stupidities of the former Regency for the benefit of the bastards. One Fronde had been quite enough. And, besides this, it would ruin him at the same time as it would ruin his master. He added his entreaties to those of others, and finally invested the Regent with full power – the latter was still hesitating about having a definite struggle with the *Parlement*.

That assembly was still trying to frighten him. On the 17th it had called upon the Chief of the Municipal

Administration of Paris, with whom it showed itself willing to be lenient. There were sinister rumours getting about in the city just then. Were not people saying that the 'lawyers' were getting ready to seize Law, to judge him in secret session, and hang him without more ado?

The moment he heard this the unfortunate Law, pretty well at his wits' end, fled, hid himself in his coach and rushed off in tears to the Palais-Royal. He kept out of Du Bois' way. The *abbé's* bearing towards him had changed so much that it was by this time almost as evilly disposed as that of any member of the *Parlement*.

The Duke de La Force and Fagon, a Councillor of State, having been shocked by the same rumours – no one knew how they originated – arrived at the Palace too. They both declared that nothing but a bed of Justice, held without a moment's delay, could save the existing situation. The Regent, who was just rising from his bed, paid but little attention to his three assailants, absent-mindedly signed the safe-conduct which Law asked for in great agitation, and then wearily commanded them all to hold a meeting that afternoon at the house of the Duke of Saint-Simon, who would furnish him with particulars later.

That was on August the 19th. The fellow took care to play his part well, and it was not his policy just then to make any parade of his hatred of the 'lawyers.' What had struck him more than anything when he saw the three men come into his room was the utterly crestfallen appearance of John Law. . . . He had looked more dead than alive, and then he, who was always so full of wit, had stupidly stammered out some words about 'Rope, gallows . . . sworn to kill me.' And then all at once he had begun to shed tears.

The Duke of Saint-Simon did not consider that this state of fright was exaggerated. Those members of the *Parlement* would draw the line at nothing – they were the lowest rabble in the kingdom. Consequently he advised Law, with the approval of de La Force and Fagon, to find a place of safety for himself.

'You are a friend of Nancré. It happens that he is now in Spain. Go and stay in his room at the Palais-Royal. They will not go and hunt for you there, and, besides, you will be at hand for the Regent whenever he wants you.'

Saint-Simon made him go into that retreat at once. Law – he was a little calmer – bowed. He was not able to breathe at ease until, a quarter of an hour later, there appeared the broad face of Ibagnet, the door-keeper at the Palais-Royal. When he was once in Nancré's room he wrote to his wife for her to come to him there, and then went to find the Prince.

Meanwhile the conference at Saint-Simon's house went on. The three men remained together until nine o'clock that night, and they were all convinced that there was nothing to be done but to have a bed of Justice.

The little man was having the time of his life. He, only, was admitted at the Palais-Royal. He called there at all hours of the day, and once he was so late that he could not see the Duke of Orleans, for he had already gone to join his mistresses and the *roués*. He left a note for His Royal Highness, and went down the stairs again cursing such an absurd way of behaving. As he was doing this one of Law's footmen, standing in a doorway, accosted him, and implored him to go and see his master.

He kindly went up the stairs again, and was shown to the room where Law and his wife were sitting facing each

other in silence at the table, with one rushlight between them. Catherine soon left the room, and Saint-Simon stayed just long enough to reassure Law, and then he, too, went out.

He had to have further interviews with the Duke in a dark corner of the Tuileries gardens. He got out of his coach on the sly, and, putting his servants on the wrong track, would creep under the trees. He was obliged to use strong arguments, for the other opposed him with brutal obstinacy. He wished to have the education of the King. In the same way as he might have wanted a hundred and fifty thousand *livres* of the Regent, and as he would want them another time.

This infuriated will transformed the bed of Justice into a matter of tremendous importance. Certainly it would give Saint-Simon satisfaction to reduce the illegitimate sons of Louis XIV – whom he despised – to the rank of peers, but would it not be too much to do at one stroke? For, although he detested the Duke of Maine, he had great respect for the good Count of Toulouse, whom he wished to spare such unjust humiliation. What complications there were! He was only too delighted to fuss about in a frenzy of excitement: he even pursued the Regent when he was in bed, went into the most minute details, making plans, and always exacting secrecy with a finger on his lips.

The famous bed of Justice took place at last on August the 26th at the Tuileries; the seventy arrogant magistrates, clad in red gowns and walking two and two, arrived, without for a moment causing the slightest stir among the people who saw them go by. It was not necessary to rouse the musketeers and guards yet!

They took their seats, and d'Argenson's speech sent them to sleep. . . . Then Monsieur de Mesmes tried to stammer out a few words, but the child seated on the throne laughed and pronounced the well-known phrase: 'The King wishes to be obeyed, and to be obeyed at once.' This was the only thing which sounded terrible in the ears of the 'bonnets.' The *Parlement* was no longer anything but a name. They merely registered and cancelled whatever was required of them. When they were back in their Palace they began to protest. Three of the 'lawyers' were arrested, and that was the end.

Law had one enemy the less, and that the most malignant of all. He kept his head and France kept him. He rejoiced for him and for the country.

Victory being thus assured, he was filled with a boldness which he had lacked the previous day; he acted with extraordinary speed. On September the 4th – that is to say, ten days after the bed of Justice – the *Compagnie d'Occident* became adjudicator for the trade in tobacco.

The project for this had been all in readiness when the activities of the *Parlement* hindered the originator from getting it approved by the Council of Finance.

The King, in exchange for an annual payment of four million twenty thousand *livres*, granted the lease of this *ferme* for nine years to John the Admiral, a borrowed name which John had had to invent on the spur of the moment when he was signing orders for the captains of his ships.

This stroke of business was good for Law and good for the State. The King owed to the *Compagnie d'Occident* four millions, which represented the interest on his capital

in State notes, completely subscribed for since last July, and he could not pay them to him. The two accounts were in this way squared. His Majesty was declared to have cleared off his debt, and the adjudicator remained in His Majesty's debt only to the extent of twenty thousand *livres* a year.

In starting this clever arrangement, Law had more in view than just benefiting the Treasury, which was always sunk in debt. He was thinking chiefly of his Company in Louisiana engaged in tobacco-planting, and which would in this way find a convenient market. Perhaps he was thinking even more of his shareholders. The colony would not procure at once the fabulous profits which he had led them to hope for. Therefore it was absolutely necessary to support that enterprise by means of others, and with greater certainty of some immediate return, and which would swell the first dividends.

The clever, sharp people, who had guessed that Law was trying to secure control of all the wealth in the kingdom, were slightly astonished to see him soon let the Council of Regency come to any decision against his own ambitions. In fact, on September the 16th, that assembly authorized Aymard Lambert, d'Argenson's own valet and agent for the brothers Paris – for they were quite carried away by their notion – to transfer his lease to a company modelled after the *Compagnie d'Occident*. The *Ferme Générale* was really a fine prey!

Law might have gone into this, too, if he had been unfettered. But he could not rise against the Keeper of the Seals, to whom he was in some slight degree indebted for his life after having nearly lost it through him also. On the other hand, Law was getting on better with the

brothers Paris. He did not doubt that some day he would convince them and bring them over to his side.

Had not the eldest of the brothers lately acquired a concession on the Mississippi, somewhere in the region of the Bayagoulas, and sent Monsieur Dubuisson to him for the purpose of getting a few instructions? Dubuisson was intending to embark with the next convoy. The indefatigable Law did all he could, and congratulated him upon having such men as Monsieur Bernard de la Harpe and Monsieur Brossard, a Lyons merchant, neither of whom was an adventurer to depend upon. In addition to another engineer, Monsieur Mean, and four clerks, the Company had engaged masons, a wigmaker, and fifteen miners for the *abbé* Bignon – a member of the Académie des Sciences – had declared with due solemnity that the specimen of lead was indeed lead.

These people embarked from La Rochelle on November the 12th, together with a company of soldiers under the command of eight officers and sixty sergeants, with Monsieur de Boisbriant at the head.

Law saw that, after having absorbed the *Compagnie Royale de la Guinée*, he would take over the *Compagnie du Sénégal*, which had the monopoly of the slave trade, when a proposal was put to him on the night of December the 2nd which had no attraction for him at all.

§6

UNIVERSAL PEACE

Since the Councils, with the exception of the Council of the Regency, had been suppressed in September, Du Bois alone had directed foreign affairs, under the title of Deputy Secretary of State.

The Duke of Orleans had promised peace to France. The *abbé* now wished to give it to the entire world.

Following the suggestions made by the clever Stanhope and the English Secretary of State, it was his dream to establish perpetual peace in Europe by means of a vast federation of the powers. Hitherto he had succeeded, with the help of his friends (and with his cardinal's hat chiefly in his mind) in attracting the Emperor, whose status was second to that of the Pope, into the Triple Alliance, which had thus become the Quadruple Alliance. But the three men met failure in the presence of Alberoni, who scornfully sent away their emissaries.

The arrogant cardinal – remarkable for his enormous head and his unusually broad face – had no lack of brains, but he possessed a low order of mind and a strong inclination towards trickiness in the conduct of politics. He had compromised himself with that Swedish fool, Charles XII, as well as with some of the less reputable Jacobins. He had a hatred of France, and especially for the Duke of Orleans, against whom he had two grievances. Firstly, he was potentially the usurper of a throne which should

devolve upon his, Alberoni's, master; and secondly, at a time when he had been simply nothing more than a poor *curé* from Parma, and ready to fall in with any kind of intrigue, the Duke had shown him nothing but kindnesses. Under instructions from the cardinal, Cellamare – the Spanish Ambassador to Paris – Alberoni did nothing but concoct horrible tales concerning the Regent and tell them to the King and Queen, just as much for the purpose of disturbing their own marriage relations as to alarm their bigotry. Alberoni was an adept in the wearing of any kind of mask, and was capable of assuming that of virtue, however little that might suit a cardinal who for a whole year had forgotten to be present at the celebration of the Mass, and whose bed was shared by a woman of the town.

Pride was this man's dominating passion. In him it almost amounted to a form of madness. . . . The Spanish fleet had then recently been cut to pieces by the English off Sicily. Alberoni seriously made out that the Queen was to blame for the disaster, for she had neglected to set out on the admiral's flagship: her presence on board would have obtained victory from God.

This defeat, which coincided with that of the Duke of Maine in Paris, which in its turn was shared by the *Parlement*, had been the starting-point for renewed intrigue against the Duke of Orleans on the part of some of his most persistent enemies.

At the end of the summer, Stanhope had warned Du Bois of the plot which was being hatched, and the *abbé* discovered a little of what was going on in the house of Cellamare in the Place des Victoires. The Place des Victoires was the centre for a swarm of feeble plotters,

who were left with very little to do since the Jacobin court had been broken up at Saint Germains upon the dismissal of the Pretender. The Duchess of Maine was in touch (and in some danger) with all these queer sets of people. Certain careful inquiries brought to light the fact that Philip V was making preparations to march into France.

Further, the *abbé* found that two of the crazy conspirators had departed and were nearly in Madrid, bearing the last despatches from Cellamare. He had decided to have them seized and to lay his hands upon the ambassador. This indispensable step would provoke the opening of hostilities between the two countries.

So there was France going to make war again! That was sure enough, but it was a war whose only aim was to ensure future peace. . . . The Government intended in addition to proclaim that she was not attacking Spain any less than she was attacking her criminal minister. But before getting too deeply buried underneath these subtleties there was a still more important matter to be put in order. The Treasury was empty, and no fighting can be carried on without money. An idea suddenly struck Du Bois, who whispered a few words into the ear of the Regent: in short, the Royal Bank must be started, although Law – by this time satisfied that he had everything under his own control – no more spoke of it.

The Regent thoroughly approved of the suggestion. And so, on December the 2nd, Law was commanded by His Royal Highness to appear at the Palais-Royal in secret and by night. Law obeyed, but not without fuming against the absurd mystery made of his visit. He crept along by the walls, found the secret door, and gave the

three taps required before he was let through. A footman carrying a lighted torch appeared by the steps of a winding staircase. Law followed the man through a number of darkened rooms, crossed the drawing-room which faced the Rue St. Honoré, and then into its adjoining closet, where the Duke of Orleans and the Duke d'Antin were awaiting him.

The latter, an avaricious, mean-spirited sort of man, who had been recently a member of the Council for Home Affairs, was connected with the Regent's family through the Duchess of Orleans, who was his half-sister. In fact, he was the son of Madame de Maintenon and, odd as it may sound, of Monsieur de Maintenon.

Law, having made his bows, sat down at the end of the table and prepared to listen. As is very often the case at meetings of this kind, they did not tell him all they might have told; and, on the other hand, they did not conceal as much as they wished to do. However, he grasped quickly that the two dukes were laying a kind of trap ready for him, so that he prudently disguised the feeling of mistrust that came over him under an appearance of stupidity.

The Duke of Orleans turned his weak and injured eyes in the direction of the banker and said what he had to say firmly and gently. The State would very soon be in need of vast sums of money; it was absolutely impossible for the Treasury to furnish those sums; there seemed to be difficulty in levying any fresh taxes without the support of the *Parlement*. And then His Royal Highness had recalled a conversation held at Marly a long time ago and some wonderful promises which that good fellow had made. The time had come when His Royal Highness no longer turned those promises on one side.

The invitation was perfectly plain, but the other pretended that he did not quite understand. But he discarded this innocent pretence so far as to propose the creation of nine hundred millions of notes to replace the same in *rentes*, the aforesaid money never needing to be paid back or to bear any interest.

This very poor expedient did not appeal to the Duke d'Antin. Law could only admit that he was powerless. Silence would have lasted for ever if the Duke of Orleans, growing weary of biting his nails, had not attacked him in his turn, and with a touch of humour too. It was not at all clear why a man who had besieged the late King as he had done Desmarets and him, the Regent as well, for the purpose of obtaining the authority for establishing an extraordinary system, should now stand back just at the moment when it was agreed to. Had he been out in his calculations? Law protested with pride that that was not so. His Royal Highness knew how to turn his simplicity to account.

'Then why are you silent?' asked he.

Law persisted in his silence because custom did not allow the truth to be told to princes. Could he declare to the Duke of Orleans that His Royal Highness's ease in the matter frightened him as much as did the greed of the Court, and that he had not the slightest doubt that to give the Bank over to the King meant to hasten it to certain ruin?

With great courage he tried again to save it. With that aim he suggested that it should become the Royal Bank, but that his own Bank should be carried on by the side of it. He had private hopes of being able to bring the second undertaking to an end as soon as the War

was over; and he was still clinging to his great dream of constituting in the heart of the State itself a strong and independent power which would serve the interests of the country without ever becoming the slave of the dangerous will of successive governments.

When this request had been roughly refused by the Duke d'Antin, there was nothing for Law to do but to obey. He therefore agreed to give up the Bank to His Majesty and to start the System going. But it was upon one condition, and this he formulated in a mysterious voice, for he had already noticed that the French did not altogether dislike a little touch of the quack. The System was a very complicated machine, and he alone knew its mechanism. . . . If he could be given an absolutely free hand he was bound to triumph. But if he was interfered with he would in no way be answerable for the disasters that would result. Everybody knows that magicians have secrets of their own; His Royal Highness was not at all shocked by his claims. He was only too pleased to fall in with his wishes and promised all he wanted. And in order to give Law an immediate proof of his good-will he empowered him to draw up rules for the management of the *Banque Royale*.

It was then agreed that this should be read out on the following day at the same time and in the same place.

The Regent approved all the details. He fairly estimated that the King would reimburse the six millions of the first capital, being quite decided never to pay them. He listened without a frown while Article 7 was read, and did not notice that at that point the banker rather oddly hastened through the debit. It was there

stated that notes might be made, as the bearers preferred, either in *écus de banque* or in *livres tournois*. Thus Law never guaranteed a fixed currency, and so he tried to do something towards protecting the cash of the Bank, which for the future was to be subject to royal caprice.

The rules of management having been accepted, he read out a high-sounding decree announcing that the Bank would be opened on the 1st of January following, and in this he could not avoid taking some little praise to himself.

His Royal Highness still expressed his approval, and then one final conference was arranged to take place the following night.

It was necessary for them to go through the comedy again in the presence of the Keeper of the Seals.

The Regent saw the Duke that same afternoon. The latter was a tall, lanky fellow with red-rimmed eyes, who quickly understood all the advantages of the *Banque Royale* when he had been paid a round sum of money. Then he warned d'Argenson that the least slip upon his part would make him destitute. The decree was then put before the *Parlement*, by which it was rejected by eighty-four to twenty-three votes, and a humble entreaty was made to the King 'graciously for the good of his property to have other expedients sought which would be more suitable for His Majesty and at the same time more easy to carry out.' After this, the Duke of Orleans declared that the decree was passed.

Now that Du Bois was easy in his mind so far as money was concerned, he spread his net at Poitiers for the two emissaries of Cellamare, and proceeded to examine the Ambassador's paper in the Place des Victoires. The

Ambassador, now sure that he was to be arrested, never left his office, a dismal enough place in all conscience. The *abbé* made himself ill from laughing as he told Law about it, and Law on his part felt some lack of confidence which possibly the minister shared.

While preparations were thus being lightly made for war, the chief director was busily employed in getting the new Bank ready to start with everything it could possibly need. He still had the same officials, Fénelon, Bourgeois, du Revest, Vernezobre, Poterat, Rauly and the others, including Bonneral, cashier, who had made some sort of renown in Paris through always wearing gloves when handling money. A marchioness had recommended him to Law, and his manner clearly showed the fine qualities which he believed himself to possess. All that had to be done was to double the number of printers, of whom there had been until now only two, and to make them work day and night. In the course of thirty months the Bank had produced fifty million notes. And thirty million had to be made in fifteen days. Fénelon, Bourgeois and du Revest were signing incessantly, and their poor hands were quite blistered.

Law went on preparing one decree after another. On December the 27th, when the Duke and Duchess of Maine were being put in prison, he opened private offices, each furnished with two supplies of cash, one of which was to be used for the purpose of settling bills, and the other for paying out on demand, at Lyons, La Rochelle, Tours, Orleans and Amiens. He next prohibited the transport of gold or of silver specie to any of these towns, so that the public might become familiar with notes. On January the 1st, 1719, a fresh decree

was issued, prescribing that copper coin should no longer be either given or received in payment of sums exceeding six *livres*, and that silver coins might no longer be made part of payments exceeding six hundred *livres*: these rules applied to Paris and other towns where offices were established.

He had even said to the Regent: 'People must be compelled to accept paper money.' He was now beginning to put his theories into practice.

All he had to do in starting the *Banque Royale* did not hinder him from thinking about the Company, which he increased – as he had always vowed to do – by adding to it the *Compagnie du Sénégal*. But he definitely dismissed the clock-makers, gilders, and carpenters whom he had got over from England, and who were then living at Versailles in the stables and the house attached to the Parc aux cerfs.

The whole of February and March were spent by Law in building up the System in the silence of his own office. He talked things over with Vincent Le Blanc, one of the most famous and redoubtable men who have ever concerned themselves with paper-money. This Le Blanc – he was a man who bustled about a good deal – had done a great deal to help in the launching of the *Compagnie d'Occident*. But to-day he found him very dull and flat. Shares were dragging in a beggarly way at about three hundred, and they had been first issued at five hundred! What could the stock-jobbers who for the last twenty years had been carrying on their business in the Rue Quincampoix be up to? Could Le Blanc tell him that?

'Is it possible, Monsieur Le Blanc, that you are not

interested in any shares except those of Monsieur Aymard Lambert?'

'Well, you know, that is a very sound undertaking! Monsieur d'Argenson protects it. You must not forget, Mr. Law, that I am both a stockbroker and an official. My position as secretary to the King compels me to consider my official superior, the Keeper of the Seals. I have no intention of ever going back to the Bastille! It has happened too often to me before!'

'A man of means worthy of the name never gives a thought to such trivial details. So you are not coming in with me any more. Some day you will be sorry for it.'

'You may be the first to regret it, Mr. Law,' answered Le Blanc.

'Oh! I am not afraid of that.'

'Mr. Law, a man is always in the wrong if he is not afraid of Le Blanc.' The speaker went off with a show of insolence and forgot even to bow.

'Bah! Bourgeois will find me others,' said Law, in no way disturbed.

April was a delightful month. The Prince de Conti, whose coaches were nearly in readiness, had very soon to leave Paris for the sieges of Roses and Palamos. The campaign was just going to begin. Berwick was disposing his troops to invest Fontarabie, and it was said that on May the 1st all the armies would have got into line.

Law was particularly pleased to see that the Prince was so anxious to get away, and observed that 'there is some use in war.'

He was not so much pleased when the intentional

'error' contained in Article No. 7 was at last noticed, for the Regent ordered it to be put right immediately. The notes must be protected against any variation of the value of specie, although they were still issued in *livres tournois*. That was for the purpose of giving them the advantage over metal currency, and was in accordance with Law's theories. However, as he was apt and quick to change his opinion, he refused as a prudent man to draw up as usual the decree which appeared all the same on April the 25th. Strange to say, he did not trouble himself about the matter.

He looked as lively as a man ready to fight in a battle which he was bound to win. Good humour shone all over his calm and still handsome face.

'Catherine,' he said to his wife, 'now you are going to see what I can do.'

At the wedding of d'Argenson's son (the one who married forty million *livres* of *rentes*) every one admired his fine striking presence, and his polite, easy manners.

In order to convince the public that he was settling down permanently in France, and upon the advice of the Duke of Orleans, he bought from his former enemy, Crozat, the estates at Tancarville. It is true that he paid too high a price: but was that of any importance?

'How are your enterprizes in Louisiana prospering?' inquired the sly financier when they had settled the matter together.

'Much better than they did in your time,' and Law said this in a tone that the late King himself would never have used in addressing the rich and mighty Crozat.

§7

ANDRÉ'S LUCK

The shopkeepers in the Rue Quincampoix knew most of the stockbrokers and jobbers by sight from seeing them go in and out of the houses, and they noticed several times during the month of May that Monsieur Le Blanc often laughed to himself on the way to his office.

He had just discovered Law's latest dupe, a man called André, who only the day before was absolutely ruined, and whose notes were not worth the paper they were printed on, and now there he was back in his old haunts quite at his ease and wearing a new coat which had been paid for by Bourgeois. It had amused him to hear the fellow bragging among the other men drinking round him of the Rainton's *café* or of the tavern called the *Wooden Sword*, and to see him snapping up the shares issued by the *Compagnie d'Occident* from the astonished stock-jobbers. He didn't want any of them. The poor devil was merely carrying on his own trade! But it exasperated him lest others might go and do the same thing. And they could not all be in the Bank's pay.

'Hullo, you Mississippians!' Le Blanc shouted out in a loud, mocking voice to those fools.

It was an odd operation, realized for the first time in France by the director of the *Banque Royale*, which was at the bottom of this sudden outburst. A few days earlier Law had publicly bought two hundred shares which would

fall due in six months' time at five hundred *livres*, that is to say, at a premium of two hundred *livres*. For the purpose of astonishing the stockbrokers all the more, he had then immediately paid out as deposit the forty thousand *livres* difference.

Simpletons, always easily taken in, were thereupon certain, when they saw a man who knew the ins and outs of the game so well do such a thing, that the shares would rise. They were already rising.

'For goodness' sake let them rise, then,' said Le Blanc, 'for you are throwing yourself away underneath them.'

He merely shrugged his shoulders when the blinded men, trying to bring him to their way of thinking, repeated the figures which André had quoted to them.

'We – we others – have got the *Ferme Générale* in our hands,' replied the great stockbroker. 'Just you come in and join the *Anti-System* instead of believing in that thief. You would do a better business.'

All the contradictory rumours then spread beyond the special sets of people in the Rue Quincampoix, and, passing on by means of various indifferent people, they at last penetrated into Court circles.

Even if the Duke of Orleans, the Marquis of Lassay, and the ever greedy Duke de La Force already knew how to behave, most of the gentlemen attached to the Court asked Law for his opinion. Wisely considering that in those kinds of business secrecy was the foundation of success, he advised them, but without explaining anything to them, simply to do just what his emissaries were doing.

'Buy when André buys. Sell out when he sells out.'

In drawing-rooms, ladies playing the latest fashionable game of building castles with cards were inquisitive and

asked, 'What is a share?' The Countess de Verrue, the mother of the Princess de Carignan and formerly the mistress of the Duke of Savoy (she had stolen his collection of medals and fled from Turin), already knew. She started to acquire the paper-money in imitation of Miss Trent, an Englishwoman living in Paris, who had been put up to it by her compatriot, Lord Gage – Law's one solitary confidant.

The hubbub around the banker became worse and worse. People were wanting to know when they were to see the System, which no doubt the poor, ignorant creatures supposed was a machine very much like the one at Marly.

'Nothing is ready yet,' replied Law, and made his escape gracefully.

As a matter of fact everything was ready. That at least was the opinion held by people who had been paying sharp attention ever since, at the end of May 1719, the edict appeared incorporating the *Compagnie des Indes Occidentales* and the *Compagnie de Chine* with the *Compagnie d'Occident*. The new company took the name of *Compagnie des Indes*, and, as it inherited the various privileges possessed by the earlier companies, it became the mistress of the ocean. It was easy to suspect Law of wishing to gain the control of all the sea trade in all parts of the world, and the *Compagnie d'Afrique* and the *Compagnie de Saint-Domingue*, though they were still independent, had very good reason to fear that their days were numbered.

In the face of the murmurs raised by this monopoly – actually existing and what might be to follow – the Director of the Bank proudly insisted that he should be

protected from his enemies: he had a special care for his own personal safety. The Regent was amused by Law's persistent fear, and sent him Monsieur de Beuzwald, major of the Swiss Guards, with orders never to quit him.

As may very often happen, Law felt that he was being threatened because he himself was becoming threatening. He was winning triumph besides in a manner unpleasing to the French. It was too aggressive. His habit of criticizing everything, and never thinking that a thing was well done unless he did it himself, was only too plain in the decree uniting the Companies, in which he placed in the mouth of the Prince insolent words calculated to hurt the feelings of his predecessors, whom indeed he accused of incapacity.

The *Parlement*, having received a copy of this document for the purposes of registration, did not hesitate in these circumstances to bestir itself. A meeting of the former directors of the *Compagnie des Indes* – Champigny and Sandrier – the syndic, the Malouins later, who were controlling trade, and the director of the *Compagnie de Chine* was called. Not a man among them missed a chance of protesting against such wicked accusations. Then the deputies were asked to say what they thought about it. The one from Lyons stated that the silk and cotton trade would be ruined in France if Indian goods were allowed to be imported. The one from Rouen ridiculed such restrictions, but had no wish to see even the smallest quantity of spice brought into the country. The deputy from Bordeaux was indignant about everything.

The latter was no longer the worthy Fénelon, who in February had begged to give up his office as the *Banque Royale* was taking up the whole of his time. He was

furiously angry when he heard of Billate's – his successor's – proposals. Law soothed him.

'It will always be like that. Do not trouble anything about the general interest, for then you will have private interests against you. The deputies are not yet sufficiently advanced in these questions to understand that the whole of the trade and all the financial matters must be under one single control, namely, that of the State. When we have arrived at that point – and I shall do my utmost to attain it – there will be the Golden Age on earth.'

This was not what the *Parlement* thought. It preferred that trade should be left to the various companies. Therefore the decree of June the 17th was rejected. On the evening of that same day the Council, by order of the Regent, decided that the decree should be considered as passed.

So far the babbling on the part of the 'lawyers' had been of no avail.

The privilege granted to the *Compagnie des Indes* undertook that that Company should pay the debts of the two defunct companies, soon to be added to by the *Compagnie d'Afrique*, absorbed also in its turn. With this object in view the *Compagnie des Indes* was authorized to increase its capital to the extent of twenty-five millions by means of five hundred thousand new shares.

In this way Law, according to his own ideas, was creating wealth, and as he was faithful to his other principle that cash must always be equal to any demands made upon it, he first of all begged for permission of the Council, authorizing the Bank to print one hundred million more notes.

On June the 10th the mills started to work at the

very moment when the wicked old rake d'Effiat was giving up his soul to God – or to the devil. It should have been rather to God, who was punishing him for his avarice by making him die at such a glorious time.

Ten days later on the subscription for these shares was opened, and the Bank was selling them for five hundred *livres* with a premium of fifty, so that they might be looked upon as equalling the former shares, which now reached that price, though they fetched only seventy-five *livres* in cash. The Bank was willing to accept payment in nineteen monthly instalments.

Law was anxious to know what welcome the public would give to this advantageous arrangement. So, on June the 20th, he arrived early at the Bank, which since the previous April had been installed, together with the Company and the *Ferme des Tabacs*, in the Hôtel de Nevers (now part of the Bibliothèque Nationale) in the Rue Vivienne, for the Hôtel de Mesnes was no longer suitable for such a large undertaking. The number of officials had been increased and workmen went on putting up more offices. The enterprising man had gone and acquired six other houses near, intending to have them demolished and to build in their place one immense, superb structure for a public Exchange similar to the one in London and in Amsterdam, and which would also include the post office in the narrow Rue des Bourdonnais.

However, for the time being Law was thinking of nothing but the coming subscribers. Trembling, he stood behind a window on the watch for the first comers, and on the following day he was delighted to see the numbers continually increasing. He had not expected the public to

be so enthusiastic, and he now made a clever decision upon the spur of the moment. Under the pretext of favouring early buyers of the shares, but really for the purpose of causing a general rise in the price, he obtained on June the 30th a decree compelling the buyer of one new share to present four old ones.

The result was not unexpected. Everyone rushed to get old shares (*mères*) so that they could subscribe for the new ones (*filles*). People hurried as fast as they could from the Rue Vivienne to the Rue Quincampoix; as they went to and fro the market price of the shares continued to rise; they very soon reached six hundred, seven hundred, and still they were going up.

When once the subscription was over, Law, leaving the misers to count over their gains and the ignorant people to their astonishment at succeeding so promptly, very plainly saw a danger which no one could help fearing.

The Bank on one side and the Mississippi sellers on the other had now monopolized most of the notes and specie available. Unless great care were taken the public would soon discover how rare both had become. Depending upon his old principle that there must always be enough cash to meet the demand for it, Law, quite logically, and having first obtained the authority, struck a new hundred million notes on July the 20th, and these had, in his own eyes, the double advantage of giving the required ease in the circulation of money and also of preventing subscribers from parting with their shares for the sake of getting money for their ordinary needs; for this would have started a lowering of the market price of money.

No sooner was this alarm dispelled when Law discovered another which was more serious still. The Bank

had already issued four hundred million notes redeemable at sight. At that time all the specie in the kingdom did not amount to more than one milliard and a half. Consequently that was a disquieting want of equilibrium between paper-money and metal.

That same day – July the 20th – with haste that was amply justified, Law claimed the position of Superintendent of Finance. As controller of all current money he would be able, in a time of crisis, to protect the Bank and maintain the use of paper-money by making up with metal. The nomination was brought away from His Royal Highness only an hour or so before he left the Palais-Royal to go to the Duchess of Berry, his demented daughter, who was on her death-bed.

The next morning it was known that the Princess had died, and that her father had very nearly lost his reason. It was an inauspicious day for everyone.

At eleven o'clock Bourgeois announced to Law that the English South Sea Company demanded the immediate repayment of the several millions of funds which it had put into the Bank. What was to be done?

'Pay it out,' commanded the Director.

Behind the London company, which William had brought to his notice not long before, he had at once seen the hideous shadow of Blunt, who was its leading spirit. The old Puritan had grown more powerful since the days of the Piccadilly tavern, but he still retained his inexplicable hatred for his former companion: 'Such an atrocious act of vengeance is worthy of a man like that,' remarked the banker, quickly resuming his usual calmness.

On the 22nd Law began to understand what all this plotting meant. For Vincent Le Blanc and the Paris

brothers came in their turn to be reimbursed of very large sums of money. On the 23rd, imitated by a certain number of other people, they reappeared and brought waggons with them. What they intended to do was plain: they wished to ruin the Bank.

The blow must have been prepared a long time beforehand by the six accomplices. But they waited for a favourable moment in order to carry it out. They could not have chosen a better time than when the Duke of Orleans, mad from grief, was incapable of government. On the 24th Law played his last card. He rushed to the Palais-Royal to force from the Regent a decree to lower gold specie. He had decided to carry out the same measure that he had formerly praised very highly in Edinburgh when the crowd had made a run on the Bank of Scotland.

On the morning of the 25th there was more sensation. . . . And then a most unexpected incident took place. A *louis* could now fetch no more than thirty-four *livres*, instead of thirty-five. People, who were no longer tempted to exchange their notes of a fixed value for depreciated currency, took ten millions to the Rue Vivienne. The Bank was saved.

Law had beaten down his enemies. But he was still uneasy, for he knew that they were redoubtable. Those he most feared were the four brothers Paris, who were at the bottom of the mischief. For a long time past he had been watchful, and he had begged them to help, and finally in May he had proposed that they should amalgamate their *Fermes Générales* with the *Compagnie des Indes*, and promised each of the four a directorship. But their coldness had in no way decreased. They rejected the

alliance and wanted war. Wisely enough, Law could see that they would not consider that they had been crushed by one single defeat, and that they would return without delay to repeat against the Company the attack which had just failed against the Bank.

With the assistance of Le Blanc they were surely going to do all they could to lower the value of the shares.

At that moment there was nothing that could frighten the banker more, for he was on the point of starting a fresh subscription of fifty millions, the product of which was to be used to settle for the cost of the money lent. In order to ensure a favourable reception for these new shares, it was absolutely necessary that the old ones should be kept up at their high rate of prices, with even a further tendency to rise, and so stimulate the greed of the public.

It was on the evening of July the 25th, immediately after the victory had been gained over the brothers Paris, that this most urgent problem was laid before Law. There was actually no time for him to find a solution both honest and prompt.

At a time when no one had suspected the recent attack made by his enemies he had called the first general meeting of the *Compagnie des Indes* for July the 26th. Such a meeting rendered a speech necessary. While he was preparing this, with one eye on his watch as he did so, he quickly saw that circumstances forbade him from presenting the true state of things to the shareholders.

How they would laugh among Le Blanc's friends in the Rue Quincampoix if Law were to declare simply that the Louisiana undertaking was doing wonderfully well, but that there would be no profits worth speaking of for several years to come. He was obliged to tell a lie in order

to save the undertaking. He did at least try hard to tell the lie with all loyalty, if that could be considered possible. For when all was said and done he had nothing but the colony! He added up the figures on a sheet of paper: tobacco revenue, cash, and what was due from the State paper-money. When he got as far as trade profits his pen shook and his spirits sank. He went on to twist the total; he altered a three into a five, and then scratched them all out. 'There ought to be more,' he said over and over again, as he tried to find a sum large enough to enable him to give interest equal to what the directors of the *Anti-System* had announced. His eager imagination and his will struggled tragically through the night against tough reality.

On the following day, for he was bound to keep his promises, and although he was nearly two million short in balancing his account – in spite of his determined optimism – he announced to the shareholders, who welcomed him with vigorous clapping of hands, that from January the 1st, 1720, he would pay them a dividend of 6 per cent., in other words, sixty *livres* a share. That was a serious thing to do.

Within a few hours the market price of one thousand *livres* was reached.

On July the 27th Law opened as before a subscription called the *petites filles*, because in order to take it up it was necessary to hold five of the *mères* or of the *filles*. The holdings were of five hundred *livres*, but the Bank sold them at the actual market price of one thousand by allowing them to be paid in twenty instalments of fifty *livres*.

At first, Law had thought of separating the share from the premium, and of insisting on cash for the latter,

which would have been quite logical. But the dread of damping public enthusiasm, and bringing down the price in consequence, forced him in this not to observe the true principles. Theory is one thing: practice is another. What he had to do before anything else was to make a stand in the face of the enemy and stop them from crushing him.

The fifty thousand shares were taken up with extraordinary rapidity. They very soon rose to fifteen hundred, two thousand, and even three thousand *livres*. Le Blanc resorted to his former methods, and started a rumour that the Spaniards had been ravaging the Mississippi territory: the price of shares went down a little, but were not seriously affected.

The first fortnight in August was noteworthy for one novelty, which lasted for a very short time. For as Law put no new decrees before the Council of State, it thus enjoyed a holiday for the whole of that period.

It was a delightful time! The war was progressing favourably, and no one was worrying about it: Paris was astonished to find in its midst such a great man who had so long been misunderstood, and the Regent, too, was surprised to see that the Treasury was no longer empty, for one stroke of the pen was enough to fill it again. The pensions arranged by Louis XIV, and which had been suppressed by that silly fellow the Duke of Noailles, were started again on August the 20th, and the grateful Court was ready to flatter Law to any extent.

Subjects sent out of the country by its misfortunes were now recalled. In the Rue Quincampoix the wealthy 'Mississippians' keep up the prices of the shares, which

were now over four thousand *livres*. André returned Le Blanc's sarcastic remarks: Le Blanc, now hand in glove with the brothers Paris, was eagerly waiting for his time to come.

In the midst of the general revival of prosperity the worthy William Law set out from London for Paris, for at the end of July he had been feeling a little uneasy about his money. Soon after he was married, Mrs. William Law, who was not yet acquainted with the genius of the family, had stirred up in his mind certain doubts which would never have struck him as a bachelor. John, absolutely self-assured, did all he could to reassure him. He happened to need a right-hand man upon whom he could entirely depend, so he persuaded his brother to cross the Channel by offering him a directorship in the Bank as well as one in the Company. Although William was already fairly rich, he had never made a tremendous fortune. He accepted the proposal with delight.

John welcomed him in a lordly fashion. For residence he let him have two houses in the Rue des Petits-Champs, quite near the Hôtel de Nevers. The younger brother would very much have liked to be attended by a major of the Swiss Guards, but he quickly understood that such an honour was not yet for him.

As for Rebecca – Mrs. William Law – she found her sister-in-law very haughty and her nephew and niece very proud. The young John, in spite of Marshal de Villeroy, who was horrified at such a thing, had been admitted to share the games of the King, and he seemed to look upon this as no small matter. But she greatly admired the most famous of the Laws – his pride was so natural that he never caused any embarrassment.

William began at once to investigate everything. He discovered that the Prussian, Vernezobre, was selling his credit, and he strongly advised his brother not to trust him. He received the confidences of Fénelon, Revest, and Bourgeois, who were beginning to be tired of signing notes.

'My arms are giving way,' sighed the gentle deputy from Bordeaux.

'Why have they not told me that sooner?' asked Law in astonishment when once he heard of this.

'Told *you*? They wouldn't dare do so. You are such a mighty genius.'

'You always discover the reason for everything so easily, William,' remarked Law without a blush. 'Well, I shall prepare a decree for authorizing three other clerks to sign the notes. And then I intend to issue notes of the value of ten thousand *livres*; that will make the work simpler. But they really must let me have a little time. You know, don't you, what is keeping me busy just now?'

'Alas! I am not the only one who knows the important secret. It seems to me that your Vernezobre has got hold of it if I can believe certain murmurs of his emissaries.'

'What is that you are telling me?'

'Simply the truth.'

'It doesn't matter now, for to-morrow, August the 27th, no one will be ignorant of it.'

Perhaps Vernezobre had not held his tongue from interest; but neither could his emissaries have said very much. The public was so little expecting the astonishing decree that it produced an unprecedented effect.

The King was substituting the *Compagnie des Indes* in place of Aymard Lambert; thus the *Anti-System* was

destroyed under the helpless gaze of d'Argenson, who, as a good courtier, accepted the affront without making the slightest complaint.

The brothers Paris had paid the bail of the Fermes, forty-eight millions and a half; Armand Pillavoine, otherwise Law, had snatched this from them by giving fifty-two millions. That was a good stroke of business for the State as well as for the adjudicator. The chief advantage of this operation was, in his opinion, that it put him safely out of reach of the underhanded tricks and traps laid for him by Vincent Le Blanc: certain of the traps would have been successful if the Director of the Company, who was incessantly upon the watch, had not made a point of quelling the first mischievous results by means of costly counter-operations. The fresh instance of success humiliated the opponents. Le Blanc himself surrendered and joined the service of the Bank.

In one stroke Law had torn the nest of vipers out of the Rue Quincampoix. But as he was not one of the mean-spirited financiers who could think of nothing but their own personal interests, he intended to go still further and do greater things. For one thing he would destroy the tax imposed yesterday upon the brothers Paris. He was anxious to do what was best for both the shareholders and for the kingdom. He next declared that he would yield no part of his privilege to any one. Being now the chief of the Receivers of Income Tax, he decided to work the whole administration down to the very smallest detail through his own Company. He promised reforms and economy. He was going to suppress *fermiers généraux* and receivers. This announcement was made distinctly to the *fermiers* and receivers themselves; also that only

the most capable men were to be kept on in the service. Of these he selected thirty, and made them directors at a salary of six thousand *livres* a year. The time of petty tyrants was over. This he said without any suspicion that they were then all just about to witness such a one rise who was more formidable than the others ever had been.

He was then almost at the height of his power. He had the administration of the tobacco factories, the Mint, the Public Finances, the Bank, Sea Trade, and Louisiana under his control. There was thus nothing left for him to take except the humble *Compagnie de Saint-Domingue*. This indeed he was yet to seize: but that was later on.

First he had to carry through a tremendous work which was to be the crown of all his efforts, and it was this that was in his mind when he drew up Article 4 of his new contract. He was merely preparing to annul the State debts.

It was necessary to reimburse the receivers-general, the public offices, the shareholders of the *Anti-System*, as well as the paper-money held by the receivers and the last State notes. Well! He would pay back everything. How much was needed for the purpose? At first he had said twelve hundred millions. He was now offering fifteen hundred millions, which he was now obliged to find.

With that object in view, he opened on September the 13th a fresh subscription of one hundred thousand shares at five hundred *livres* each. The old ones were worth five thousand, and the Bank was selling them at the same fixed price, but was demanding but a tenth part in cash. Another graceful act on the part of the Bank was that it no longer compelled a buyer to have *mères*, *filles*, or *petites-*

filles in order to obtain these *cinq cents*, as they were called.

At once there was a rush for the Rue Vivienne. Were they short of funds? If so, people merely had to sell out their old shares, which were falling to four thousand, while the new ones were going at eight thousand. General enthusiasm was not shared, however, by the *rentiers*, who were compelled to pay the higher rate in the Rue Quincampoix for what they ought to have been able to buy for five thousand if the stock-jobbers had not snapped up everything already. They made a protest.

Law, who was always obliging, approved of their action and satisfied them. On September the 22nd he brought out a decree which declared that in future the Bank would refuse metal, and would accept nothing from subscribers but reimbursements and notes.

On the 28th he launched an additional hundred thousand shares, another hundred thousand on October the 2nd, and on the following day yet a further four thousand which no one seemed to have authorized. In this way the fifteen hundred millions were far exceeded.

It was no longer a rush: it was a battle. The approaches of the Hôtel de Nevers were so crowded up by coaches and people that any one venturing to go there risked his life. Some of them were roughly treated, trampled upon, and even crushed. Blood trickled down over the sweat. There were people pushing, shouting out, jostling each other, and stepping over the bodies of those who had fallen. There was no one who did not want his share in the fortune which was within such easy reach – just beyond the railings – and they were very soon shattered – of the gardens. They did all they could to find a means of

taking something for themselves without thereby losing a leg or an arm in the scuffle. Some of them bribed the door-keepers; some recollected that they knew a man who knew an assistant-cashier, or one of the clerks. They even went down on their knees to them, and overloaded them with gifts. One hour saved meant gaining one thousand or two thousand *livres* on each share, or more. In order to get through the crowd more quickly some men pretended to be Law's footmen.

As for the nobles, they went straight to the mansion in the Place Vendôme; it had better be called by this name, for the public is against the name Louis le Grand. The dukes and duchesses mounted guard in the street outside the house and addressed their entreaties to Thierry, who was in charge of the gate. Was the great man himself really not to be seen? They were insistent; they forced their way into the hall; at last they even got inside his private room. Women were the most fearless. They coaxed him by calling him 'dear Law,' and were never weary of praising and flattering him before they made their requests.

'You are the mainstay of the monarchy.'

'The genius who has restored a ruined kingdom: let me have . . .'

'In times gone by there never was a work comparable with yours.'

'You will be blessed by men in time to come as you are now blessed by the living; I should be glad to have one hundred shares.'

'You have effected what the great Louis XIV was unable to do; will you very kindly . . .'

In the evening Law told his wife of the amusing experiences he had had, and he laughed heartily.

'And what about you?' he asked. 'Have you had many duchesses?'

'Thirty at the very least. They will wear me out completely. I know no more tedious creatures in the world.'

The Place Vendôme was brought into some disrepute; there was fighting in Rue Vivienne, Rue Quincampoix; but when leaving one or the other one went gaily on towards the making of a fortune.

The value of the shares was rising higher, and higher, and higher. It was possible to sell, buy back, and re-sell, and to go on growing richer all the time. Until recently business had been carried on indoors. But was there still time for going inside a house, for getting up the stairs, and pushing a door open? So now they were doing their business in the street, as the men did in London. There was not space enough for every man of business to have a separate room. They had already got artisans' shops in exchange for quantities of wine, and all rents were rising to exorbitant prices. The hire of one dingy stall was costing more than the rent of a whole house would have been a year earlier. One stall was so small that the fellow who ensconced himself in it could not put a table in. Houses had been divided up into offices occupied by men from Germany, Italy, Switzerland, Geneva, Italy, England, Holland, Flanders, Lyons, Languedoc, Normandy, and other parts of France.

For the time being everyone was a stockbroker, from the Lord Treasurer of France down to the watchman in a cellar of a shabby tavern.

It was not only shares which were so much in request. In those foolish days people were grabbing at all the paper-money which up to the issue of the decree of

September the 22nd would have been looked upon as waste-paper. They were selling and buying black notes, white notes, no matter what, so long as it could be exchanged at the Rue Vivienne. They were indeed exchanging anything, for a rogue some days earlier had slipped into the hands of some simpleton burial-papers in the place of shares. Moreover, no one thought ever of wishing to pay with the filthy metal coins refused by the Bank. 'So you have nothing but gold? Then we can do nothing.' It might happen that some perfidious fellow would insist: and then the honest stockbroker had no hesitation in drawing his sword. The crowd separated them, but with feelings of indignation against the traitor.

All sorts and conditions of people were to be found in that jostling crowd, in a state of equality hitherto unknown: there were the highest nobles, great lawyers, learned doctors from the Sorbonne, dirty monks, fat *curés*, *abbés*, cardinals, and beadles.

The Duke de la Force had gained eight millions; he was going to make twelve, and would much like twenty. The Prince de Conti, who had not distinguished himself in the war, and but recently returned in a litter, had been here all day and, with his coarse, ugly face, was walking about with his hands in his pockets.

Long lines of coaches and carriages were drawn up along the Rue Aubry-le-Boucher as far as the Rues Saint-Denis and Saint-Martin. There were some queer people among the stockjobbers. In order to show ignorant people how things were done and for the sake of a fee, there were mechanics, financiers' clerks, pick-pockets, and tricksters, appearing one day dressed as a soldier and the next as an *abbé*, who wormed their way in and out

among the crowds. The girls among this set, with their bright and seductive eyes, lightly robbed the pockets of the poor, harassed men: and there were hideous old hags who, making a wretched pun, promised the provincials *petites filles*, which otherwise meant girls of the town.

Noble ladies were brought to the Rue Quincampoix for the sake of amusement. In the morning they came to drink coffee. It was the wives of the two financiers, Savalette and Villemur, who had started that fashion. In the afternoons they played quadrille.

The wine-shops, the taverns, inns, and small cook-shops of the neighbourhood were never empty. Everywhere was heard the cry of 'ten thousand, eleven thousand, or twelve thousand,' as the case might be. Numbers of people were winning 'castles': and as many were losing.

'Who is that? Who is that?' the ladies wanted to know.

'That's Bragousse. That's Jossier. That's André.'

André! His velvet coat was covered with gold embroidery. The time had long passed by since Bourgeois was paying the tailor for him. He now possessed countless millions and was making preparations for the marriage of his daughter – aged two years – to the Marquis d'Oise. The grandfather, who was a dealer in skins at Montélimar, was nearly dying from joy.

Possibly people rather poked fun at the self-made men, but at first they envied them. They were smothered in millions: and they spent them with such zest.

Madame La Chaumont, whom Law had employed in the early days of the *Anti-System*, was now buying a castle or a mansion every day, and was ordering tapestries from Gobelins. At every meal served in her house there would

be one ox, two calves, and six sheep. . . . Then there was Dalesmes, a parricide, condemned to death at Bordeaux, who had actually bought gold washing-basins for his bedroom. And Saint-Germain, a painter who had studied at Tournai, and used to buy and sell pictures, had ninety servants, four of whom were young ladies of good birth who acted as chamber-maids. The meals he offered his guests were renowned. One might touch a fine large melon, and out would jut tiny fountains of spirituous liquors which smelt delightful. Then the master of the house might just lightly lean upon a hidden spring, when forthwith a mechanical figure began to walk round the table, pouring out nectar into the ladies' glasses.

Money-changers, *abbés*, tavern-waiters, footmen: they all had made immense fortunes. It followed that notes worth more than gold easily escaped from their possession.

A servant who had in the course of one day become a millionaire ordered a coach for himself, and it had to be the very finest there could be, including a coat-of-arms. They gave him those of the King – and he was taken to the Bastille. Then there was Brigaud, the son of a baker at Toulouse, and no less a fool than the other; he bought up a complete goldsmith's shop and told his wife to make suitable use of the various objects at a sumptuous supper which they gave. The guests were unable to restrain their laughter. A censer was being used as a sugar-castor, and chalices were taking the place of salts. Soup was served in an offertory dish, and a roasted joint appeared in a wash-hand stand basin.

They were altogether unheard of times, and never again would they see anything of the sort! That was what the philosophers said. Madame de Begond had met her

former cook – Marie – at the Opera, and she was wearing jewels finer than her own.

It was not only Brigaud who emptied the shops! The expenditure was tremendous in all directions. Money taken at the theatres had increased tenfold. Everyone wanted to have a coach of his own, and the traffic in the streets had become hopelessly difficult. New taverns were continually being opened. Foreigners were arriving in such huge numbers that there was no place for them to put up in. If there was room for them, it was only available at fabulous prices. The sense of values had been completely lost. To crown all, at the sale of books belonging to the *abbé* Baluze, the famous scholar, an edition of Seneca printed at Rome in 1455 had fetched the unprecedented sum of five hundred and one *livres*. Chesneau, whom Law had sent to the sale to buy him some books, had thought he would die of shock when he heard of it.

Luxury was making its way into every class. Nobody was willing to live simply any longer. Footmen were wearing gold-threaded cloth and masters were decked with huge diamonds which were insolent in themselves. Never before had such refinement been seen. And on the other hand, never had people ever been so coarse. Young men were no longer making love to women. They thought of nothing but money and giving way to the lowest debauchery. That perverted age was keeping a melancholy future in reserve for us. So said Madame to her son, the Regent: 'We never used to hear such horrible stories as we do at the present time.' But the doughty lady was not blaming Law for that: he certainly was a wonderful man for finance. Had not her own income, thanks to him, just been increased by one hundred and fifty million *livres*?

That generous man made gifts with the greatest ease. He had sent them to everybody: to Madame de Prie, to the Duke de Bouillon, to the Prince of Soubise, to the Marquis of Rochefort, and to the Count of Clermont-Tonnerre. Nobody had been forgotten: not even that wretch the president de Mesmes, and that drunken Rouillé du Coudray, and his old enemy, the Duke of Noailles, who had pocketed two hundred thousand *livres*. The *roués* and the mistresses, they too have had their notes and their shares. A packet of them was sent to the little King, for him to play with, and he distributed them at hazard. In this way his body-servant had received twenty-five thousand *livres*' worth of shares which in the Rue Quincampoix realized a fortune for him.

And then that Mr. Law was very polite! That was what they thought of him at the Court. A grateful duchess had kissed his hand in public. 'And let other women kiss it too!' cried the lively mother of the Regent. A certain great lady had her coach upset in the Place Vendôme on purpose to attract Law's attention.

Poor man! He was having no rest either day or night. People were either pestering him with requests or they were fêting him as if he were a prince. He was also forced to see engravers, who begged for the honour of taking his likeness so that copies of his portraits could be published. Poets were writing verses in his praise. And the wags were not silent. When he heard what the latter said he merely shrugged his shoulders, and at heart he was more flattered than hurt. The whole Court was at his doors. The Papal nuncio, leaving his beloved mistresses for an hour, had come to make his bow to Miss Law, who gave a ball to celebrate her seventh birthday. His son was

the play-fellow of Louis XV. The letter he had received from the Pretender asking for help was still lying on his table: 'I am applying to you as to a good Scotsman and to a faithful servant of the Regent.' Lord Belhaven, then gambling in the Rue Quincampoix on behalf of the Prince of Wales, announced that the Prince himself was coming to Paris and wanted to see him.

And the Duke of Argyll at the same time, and calling him his old friend, sent the Earl of Islay with the hope that Law would receive him. That he did at once out of consideration for the man who had kindly protected him in earlier days.

Very much impressed by seeing so many fine gentlemen waiting in the vestibule, the Earl of Islay entered Law's office. Mr. Law was very busy indeed; there was no doubt of that, and the visitor apologized for disturbing him.

'Not at all,' replied Law.

'But you are in the middle of a letter . . . and all those people outside . . .'

'It is their business to wait. I was just writing to Lauriston, to my gardener, to advise him to plant my cabbages in a certain way. And to show you how I behave to the crowd waiting at the door, I am going to have a comfortable game of piquet with you.'

He was not at all sorry to let his fellow-countrymen see what power he had in France, for he still had a secret grievance against England for having rebuffed him in years past. He pardoned Edinburgh only, for that city was at last proud of having produced such a great man, and had made some acknowledgment of her mistakes by granting him the freedom of the city by a fine document

contained in a gold casket worth three hundred pounds sterling. That was a dignity which would be added to the titles he was buying every day. In addition to Tancarville he now owned the estates of Roissy, Guermonde, Domfront, Effiat, Riviera, Toucy, Orches, Yvelle, Serville, Gerponville, and – how many more? He had lost count of them. There were too many. He was a count, and a marquis two or three times over; he would end up by becoming a duke. It was chiefly to flatter Catherine, who was so vain, that he had taken the trouble to acquire so many properties.

So far as he was concerned, he would have been quite content to be called the greatest genius in France. But there he made no stipulations whatever. He did not allow the least contradiction in matters over which he had control. Neither did he allow any one to be actively interested in his affairs. That was the reason why he hated Crozat and Lord Stair, the British Ambassador and a Scotsman like himself, who had been quite friendly with him, but with whom he was angry for not taking part in the Mississippi Scheme. This was beginning to irritate Du Bois, who was weary of the bickering going on between the two enemies, for Stair was reproaching Law for being so intimately connected with Belhaven and Islay – both of whom sided with the Prince of Wales, who was cursed by the King – and for the gifts he bestowed upon the Jacobins generally, and more especially the Chevalier Saint-George.

'Do be prudent,' advised the *abbé*.

'Stair is a fool, of whom I should be well rid,' answered the financier. 'Do not worry me with any more of those trifles, but let me get on with my work.'

He was, in fact, working at a furious rate, remodelling everything in the kingdom. The director of the Bank was not content with printing notes with dangerous obstinacy, but he was also busy concerning matters of trade and agriculture. He had in his mind the idea of depriving the clergy of their uncultivated lands and giving them to the peasants. He wanted asylums for the poor to be built in all parts of the country. He encouraged fisheries, and helped manufactures with substantial loans. He took an interest in large undertakings and furnished funds for building the bridge at Blois and for digging the canal at Briare. He wanted to have barracks built in the provinces, so as to spare the inhabitants from having to house the troops. He was taking steps towards making Paris a seaport.

The Master of the *Ferme Générale*, which since the previous September had included the salt-mines of Moyen-Vic and the salt-taxes of Alsace and Franche-Comité, had been definitely taken out of the control of the receivers-general. The new administration was already effecting an annual economy of two millions.

He was on the point of abolishing tolls throughout the country and making cereals free. Although he was hastening the bringing into force of this much-needed reform, he was reducing import duties on oil, leather, tallow, and wines. He simplified the most complicated laws. He removed the tax on playing-cards – he owed so much to them! He abolished the officials connected with the ports, harbours, and markets of all kinds in Paris, and this lowered by as much as 40 per cent. the price of wood, coal, hay, bread, game, poultry, butter, eggs, and cheese.

It was because he wished to make himself popular and to oppose the high cost of living, and he never seemed to suspect that that was brought about by the enormous quantity of notes he had issued, and which then amounted to one milliard *livres*.

Early in October he had sent for the leading butchers of Paris with reference to the high prices of meat. He was not satisfied with the answers the tradesmen gave him: for they blamed the prolonged drought. He therefore threatened them:

'I shall have to force you to find a means of supplying meat to the public at the price I name. Otherwise it shall be supplied by others.'

No less did he declare himself in favour of free trade, and gave evidence of the fact by freeing hemp and tobacco. In this he was sacrificing himself to his theories, for he was thereby renouncing gratuitously the privileges of his first farm. To uphold his interests he placed an import duty upon produce. He made it three hundred *livres* a hundredweight imported from Spain, sixty *livres* if it were carried by the Company's ships, and twenty-five *livres* only if it came in from Louisiana.

In the midst of all these various occupations he did not forget the colony. From the month of August he had endowed the colony with twenty-five millions of special notes bearing the seal of the *Compagnie des Indes*, for he was doubly anxious to place at its disposal an indispensable aid to trade and to draw into the coffers of the Bank good solid Indian piastres.

He was developing Lorient, which until lately had been a small market town, into a modern port. He also devoted his energy with remarkable tenacity to increasing the

population of Louisiana, and in this he often lacked judgment.

With that object he had obtained, in 1717, a decree showing some originality, for it enjoined upon footmen and other servants to receive from their master or their mistress a certificate upon the day on which they left their service, and to find another situation within four days. If they failed to do so they were looked upon as idlers and vagabonds, and were liable to be sent to the Mississippi. By this means he had picked up a certain number of queer fellows and disreputable girls who in no way benefited Louisiana. Later he did what he could to attract suitable people.

Through the whole of 1719 he caused to be distributed among the masses of the people engravings which were calculated to mislead any who possessed simple imaginations. For instance, in the centre of a beautiful landscape – copied from representations of the earthly paradise in the popular lives of the saints – there were shown Indians kneeling before the French, and the French appearing to be charmed. There were Indian women with large, dreamy eyes, and some of the pious ones were represented being baptized. Walter Raleigh's description of the Eldorado, which had delighted Law in his boyhood, now came in useful for the prospectus he drew up, and which he made still more attractive by inserting some of Captain Clinch's most amusing stories. Gold, silver, and precious stones were also plentiful in that marvellous land.

He had a plan of the town of New Orleans published in the *Mercure*: it was really the finest town in the world – on paper. Adventurers and even some respectable people came forward, but not in large enough numbers. And

Law, who wished the matter seen to quickly, sought everywhere for emigrants. In the Church of St. Martin des Champs he caused male and female prisoners, who were placed in two rows in readiness, to be married in a trice. They had the free right of choice, and were at once taken, hand-cuffed, through the town. At Bicetre, in the Hospital for Foundling Children, he made an offer of a million *livres* for permission to empty that institution without delay. But it was not long before a hundred and fifty girls revolted at Rochelle just as they were embarking. They threw themselves upon their keepers and clawed at their faces. No doubt they already had some inkling of the truth.

There had been a terribly high rate of mortality among the early emigrants. Upon their arrival in the colony they had found nothing but filthy little huts and no sign of any sort of conveyance. Certain of the leaders were too lively on the voyage, and had playfully promised the passengers, for the sake of frightening them, to fling half of the convoy overboard, and thus make the voyage more comfortable for the others.

Meanwhile Bienville was not idle. From the beginning he had given up his idea of scattering the population, and had quite made up his mind to concentrate altogether at New Orleans, and form it into an important settlement. He had sent out scout-ships to reconnoitre the Mississippi, and thought that he would soon be able to transport colonists by river. He had not given up all hope, and spoke lightly of the skirmishes which had taken place between the Company's troops and the Spaniards, who continued hostile to the French.

This judicious man enjoyed Law's approval. Former

errors would now be corrected: and new ones would not be made. Bienville was also quite confident.

Reassured upon this point, Law made ready for a great trading expedition on the African and Asiatic coasts, for he was always obliged to keep in his mind his many privileges. But that did not hinder him from supervising the erection of two new Mints in Paris, from working for five hours a day at the Palais-Royal with the Regent, the Keeper of the Seals, and La Vrillière upon the means of repaying of offices and *rentes*, which was an immense affair which had never been completely carried out in detail.

So many undertakings finally struck down the bold man, and he took to his bed towards the middle of October. The good William hastened to his bedside, uneasy in a way, but at the same time content, for Rebecca had just given birth to a son, and they could not help calling him John. However, Law soon recovered: he had no right to be ill at the very moment when Rue Quincampoix was beginning to be troublesome once more.

Prices were weakening, and it seemed that they must sink appreciably lower. Law easily found the reason for this. It was getting very near to the end of the month, and a great many subscribers were short of money to pay the next account. Most of them had bought, wishing to take their profits before the first distribution of the dividends, while many had made transactions at the Bourse which had to be liquidated at a certain date fixed in advance by taking advantage of the loans the Bank had made upon shares deposited in its hands.

Law found a new means of controlling the rising panic. He took to the Council of State a fresh decree – which

was accepted – by which the method of effecting future settlements was modified. Three quarterly dates for settlement of bills were arranged to take the place of the nine monthly settlements, such as had been agreed upon. The shareholders from whom no demands would be made for another two months were at once less eager to release their paper notes. Business revived at the end of October and prices were rising. During November the market price was ten thousand, and even more. It was then that Law saw a sly enemy come into shape, and it was an enemy that would need careful watching. It was the *realizer*.

Two notorious Mississippians who were not lacking in perspicacity – Bourdon, who had been a tavern waiter, and La Richardière, a professional financier – were the first to talk things out together: 'the total wealth of the East and the West would not be enough to pay the value of paper at its present price.' They accordingly sold out their shares, bought several millions' worth of diamonds, and exchanged part of their notes at the Bank for one hundred thousand *livres* in gold; they disappeared after that. Others followed their example and acquired real estate. Law did not overlook these dangerous occurrences.

Accompanied by his friends the Duke d'Antin, the Marquis of Lassay, and others, he was driven in his coach to the Rue Quincampoix in the hope of reviving the courage of the stock-brokers and jobbers. With great respect the crowd made way for him. He went into the house of Le Bergerie, a banker, and out on to the balcony. Below there were little street boys, who called out: 'Give us something, sir, and we shall make your shares go up.' He put his hand in his pocket, and then threw down some

William III gold coins, as if he were playing a game of scramble. The children were fighting to pick them up, when some spoil-sport from a neighbouring house threw water down on them.

Law stood still a moment, and looked around him as in a dream. Was it now the past? Or was it the future? Why was he suddenly recalling the old gossiping tales of old Merkus when he told him all about the mania people had had for tulips. 'In those days men were crazy.' Would the whole world be crazy to-morrow? England and even Holland were imitating the System. Some one had told him that that spying fellow, Blunt, had been seen loitering about in Paris. He thought he caught sight of him in the crowd! But no: it was merely a resemblance.

What were those cries he heard? Who was that woman surrounded by a crowd? While the water was being poured out of the window near, a pickpocket had robbed her of her purse. Law asked to see her, questioned her, and was convinced of her honesty. How much did the purse contain? One hundred thousand *livres*.

'Come to my house in the Place Vendôme, madame. I will give you a hundred thousand others.'

The moment the crowd knew what had happened they cheered him, for he always was a fine fellow.

'He is more than a genius,' cried out one among them. 'Perhaps it is God – returned again to earth.'

That was just possible. A week earlier, to the despair of Catherine, Law had become a Catholic. He had done his best to bring an irresistible argument to bear against her complaints: 'But I tell you it *must* be so, if I want to make my way still further.' He could not console her. Her air of sadness was noticed by guests at the supper,

followed by a ball which had been given in honour of the event. The man who had converted him was, as a matter of fact, one of the most faithful adepts of the System. All the priests were not such fools as was the *curé* Saint-leu, who carried on a profitable business in shares while he was in the pulpit. Law was indeed going to have him promptly sent out of the country. The *abbé* Tencin was more adaptable. He wanted to be a rich man, and to get on in the world too, thanks to his sister, who, formerly a nun, was at that time Du Bois' mistress.

On their way back from Melun, where the Protestant had repudiated his faith, the two cronies together in the coach must have had more to say about current prices than of heavenly matters.

Now that Law had become a Catholic he was made a member of the Academy. On December the 2nd he was received into the Académie des Sciences. Further, he would deserve to be admitted into the Academy of Fine Arts.

Had he not lately declared he would have currency refined to such a point that it would be pure metal? But he must not be mistaken for a coin-collector. That sudden taste was merely a wicked excuse. He was lowering the value of the currency, because that was the only means by which some stand could be made against the *realizers*, whose numbers were steadily increasing. When once they got hold of notes they did not keep them, but, if he did not stop them, would draw all the gold out of the Bank, which was then compelled, at the risk of losing its credit, to meet all claims. For the purpose of keeping intact the reserve of gold, Law was obliged to make constant attacks upon metal coinage. He very soon

brought a decree deciding that Bank money should henceforth cost 5 per cent. above the price of ordinary money.

Obviously he was growing impatient. An agonizing chill seized him when December arrived. He suddenly felt that he was no longer able to control all parts of the vast machine which hitherto he had had well in hand. He would have liked to limit the rise in prices, for if it went on it could only increase the number of those who wished to realize, and so, indirectly, threaten disaster to the Bank: the wretches were only too eager to draw out their gold. But, on the other hand, he did not dare do anything to cause prices to come down, for that would have ruined confidence, and confidence was the very root of the whole System.

It was therefore with feelings of great alarm that he saw prices rise above fifteen thousand. He suspected trickery, and then he discovered that it was worked by foreign stock-dealers, who were even selling at eighteen thousand at diabolical fury, and that they were dragging along in their wake a number of the most dependable Mississippians. There were Dutchmen, Englishmen, and Genevans taking part in the plot. Law had no doubt that the hateful Blunt was the leading spirit. The loathsome creature was too far away for him to strangle him as he would have much liked to do. However, he hoped to have vengeance on him. He blamed Lord Stair, and accused him of being Blunt's agent in Paris. He threatened him and threatened Great Britain, who backed him up. He said what was in his mind, using the angry words of a madman, to the ambassador's own friends, and defied the miserable nation ever to be able to pay her debts. She had but one hope left, and that was, if she did not wish to cease to exist, and if France were

willing, to be attached to France. One thing was imperative: Great Britain must lie at his feet, for it was Law who was capable of depriving her of credit. But she must cease from harassing him, for he would not refrain even if war ensued. He was going to alter the existing alliance and take Spain under his protection, but he would get England out of his way with one kick.

It was now Du Bois' turn to be impatient. He was beginning to find it unbearable that Law saw so much of the Marquis de Torcy, who was superintendent of the post office and knew the secrets contained in the diplomatic correspondence, and whose ideas were contrary to his own. While Stair was sending indignant letters off to London the *abbé* warned his chief. The banker let the Duke of Orleans know the position he was in. And he was going to expose the evil designs of England, and France would have to . . . The Prince angrily begged him to think first of all of the general meeting which was to take place on December the 30th.

His Royal Highness might be quite easy in his mind. He was thinking about it. As if, indeed, he did not think of everything!

The Regent was greatly annoyed by these words spoken by a man whose head had been turned, and Law quickly pretended to be calm.

He was reproached for thinking about too many things; he would not think of anything in future. He would like to go away at once, leave the kingdom, and retire to either Rome or Venice. That little Stair would carry on the System instead of him. At least let it not be the *abbé* Du Bois. He had had enough of never being thoroughly supported by any one. What was he, after all, in Paris, in

spite of all the services he had rendered? A mere banker whom any one had the right to abuse just as he liked. He had been admitted to the Academy. Pooh! There was another title which he would have much preferred. But it did not matter what that was: it might have been that of First Minister. But no; the best thing for him to do was to go away. Perhaps His Royal Highness would condescend to let him have his passports.

In his simplicity the Duke of Orleans became frightened, and at once calmed him down, and even implored him, and finally promised that after the meeting he would appoint him to be Controller-General of Finance. Law agreed to accept the appointment, but without appearing too much satisfied. He did not stay very long with the Duke after that. He had to go and prepare the balance-sheet with Dutot, one of the best of his clerks, and who had a boundless admiration for his theories.

'Sit down there,' he commanded the young man as soon as he had got back to his office in the Hôtel de Nevers. 'Who is that knocking? Come in. Ah! it's you, William.'

'Have you had time, John, to look at my little invention – the *Jet of Gold*?'

'Yes. No. I really don't know. All in good time. Do hurry off to the Mint to see if the medal is ready. – Come along, Dutot. Rents on the farms?'

'Forty-eight millions.'

'Good. Profits from the farms?'

'Fifteen millions.'

'No; only twelve. Profits from general receipts?'

'One million five hundred thousand *livres*.'

'No; one million. Profits from tobacco?'

'Two millions.'

'Make it six. Profits from the Mint?'

'Four millions.'

'That's not enough. Make it twelve; and make it twelve for the profits from trade as well.'

'Oh, sir!'

'I said twelve. Go on, and let me make some calculations.'

Twelve. Was that possible? Yes. He would send more ships to sea. He would rouse Bienville's enthusiasm. He could no longer give a dividend of 12 per cent. on the shares at the price to which they had risen. If he did there would be nothing left. For the time being nothing was more urgent than to support those who were so eagerly selling out and at the same time to face his enemies boldly. The shareholders would be satisfied with 40 per cent. and the Rue Quincampoix would obey his orders only.

Then he spoke at the general meeting. It seemed that millions and millions were on all sides of him. The crowd did actually visualize them and cheered the man of genius. All his proposals were adopted. There was a hubbub of triumph. The Duke of Orleans was the first to sign the minutes of proceedings, and then he rose, followed by the whole Court, who filed out before the open register.

In a salon adjoining Law broke away from his friends, who were all wishing to embrace him, and made his obeisance to his Royal Highness. As he did so he begged his acceptance – as a New Year's gift – of a unique gold token struck with the arms of the *Compagnie des Indes*.

The Regent held it up very close to his eyes, and saw a crown borne by two savages, each kneeling on the ground with one knee, and having the foot of the other leg at the edge of a shore which was lapped by the waves:

on the reverse he read *Honor non pretium*. He then expressed his thanks and withdrew.

When he learnt that shares had risen that evening to fifteen thousand two hundred and eighty *livres*, Law asked to be left alone, and went up to his own room. He suddenly felt tired. In the course of eight months he had just contrived to do without a break a piece of work which might have been the whole life work of any other great man. He decided to go to sleep until it was time to have supper, and, having taken off his wig, he stretched himself at full length, and fully dressed, on his bed.

The log was blazing in the fireplace. He noticed that one of the rush-lights was bending to one side and the grease was running down. He gazed at it, and as he did so it grew larger and larger until at last it became Madame Merkus herself, who in her turn became changed into Lucia Canaletto. And he saw that the charming girl was laughing. . . . Ah, Venice! In the days of his youth! Ah! and those gaming tables. Then he heard the disturbances in Edinburgh and the absent-minded voice of Godolphin. That was after the fat emperor appeared: but he seemed so far away, so very far away, that he had to screw up his eyes, and then they were quite closed. Then followed the two savages represented on the medal. They seized him by the arms, and the three together flew away straight through the ceiling without being hurt at all. They went on and on: they went on still, going higher and higher. They went on until they reached heaven. On the right hand of God there was the *abbé* de Tencin busily making calculations and sucking his pencil. The

Almighty took the crown from the Indians and placed it upon the head of the prospective Controller-General of Finance.

A smile of exquisite delight spread over the sleeper's face, and then suddenly something must have terrified him, for he began to make grimaces.

He was wandering through an immense forest, and the black and white trees in it were nothing but heaped-up piles and piles of shares and bank-notes. He went forward and saw a man covered with blood coming towards him: he was scowling, and he threatened Law with his sword. The strange creature called out in a jeering voice: 'Twelve milliards of shares; three milliards of bank-notes.' It was Wilson! And Law wanted to make his escape: but he stumbled and fell down. Then he saw nothing more.

He slept very soundly. His hand was raised once to rub his nose, which was itching a little, and then gently fell down again. He was still wearing the ring which had belonged to the English princess, as well as another – which was just as splendid – which he had bought in France.

His face had become motionless, and for the time being was as handsome as it ever had been. During the past year over-work added to age had done much to ruin his looks. His features were becoming blurred, and his mouth, particularly, had begun to lose its shape.

Was there any truth in what the Duke of Richelieu had said about his kissing the lips of the aged madame, whose habit it was to wear a man's wig?

He was still asleep, and snored gently from time to time.

In the streets the hawkers were selling manuscript

copies of the resolutions taken at the general meeting of the Mississippi Company.

'Mr. Law's speech!' they yelled. 'Shares at fifteen thousand one hundred and eighty *livres*.'

And all who could snapped up the news-sheets and eagerly read them under the street-lamps.

§8

THE DEPUTY FROM BORDEAUX

Monsieur Billate, the deputy from Bordeaux, and who had a great admiration for the Bank, wished the Chamber of Commerce for Guyenne to be one of the first to offer congratulations to the director upon his recent elevation to the position of Controller-General. With that intention he himself had prepared an address, which he brought on the morning of January the 6th to show to Law before it was sent off.

'I am listening,' said Law when he had heard the preliminary remarks.

The deputy coughed, in the usual way, and with his arm raised he started to declaim:

' "The State finances required a man possessing extraordinary genius to re-establish them upon a sound footing. The whole of Europe is now aware of what France owes to his marvellous abilities and enlightened views. It is only fair to entrust to that proved man of genius the duty of carrying on his work." There now! You have nothing against that, have you?'

'Not a single word. It is quite plain. And it is gracefully put and to the point. Let me thank you for it.'

There was a significant silence, and then Billate showed a certain amount of curiosity concerning the shares. Had he better sell them, or keep them?

'Keep them; by all means keep them,' advised the banker, who suddenly rose from his chair, pale and proud.

A footman opened the door and formally announced:

'The Lord Stanhope.'

Billate withdrew. Law stood petrified with horror. The British Under-Secretary of State for Foreign Affairs there in his office, at that early hour! And so he was in Paris? He must be secretly there, for no one had any idea last night of his presence. What could it all mean?

'Let him come in.'

Then entered the leading diplomatist of England, who had brought about the Triple and the Quadruple Alliances, the able statesman nicknamed the Wandering Jew, for he went everywhere for the purpose of building up the peace of Europe to the advantage of his master. He was a man full of ability, resource, coolness, politeness, and moreover a man who possessed the remarkable merit of knowing how to conceal everything behind an air of frankness, which frankness was really his own natural character.

After having greeted each other, he told the banker clearly what his object in coming was. King George I had read the reports of the Earl of Stair, and he was very anxious, for the good of the Alliance, that better relations should exist between Law and the Ambassador.

But before reaching the main question Stanhope had to tell Mr. Law how much delighted he was to see him again, and just at the very time when His Majesty was honouring him, a man of high merit, in such a striking fashion. Without letting himself be carried away either by friendship or by flattery he, Stanhope, ranked him above Cardinal Mazarin and Cardinal Richelieu.

With emotion, which could be perceived in his voice, Stanhope recalled the days at the beginning of the Regency when Mr. Law, by giving his support to the *abbé* Du Bois, had helped so much towards bringing the two nations together. He was aware, in spite of certain letters from Lord Stair – he could not deny, in passing, that the latter had some irritating faults with all his good qualities – that the relations between the French Under-Secretary of State for Foreign Affairs and Mr. Law were excellent. Lord Peterborough, a rather dull but quite reliable man, who had met them together, had assured him of that recently. Neither was he forgetting to whom he owed the subsidies lately sent to the King of Poland for the purpose of attaching him to Prussia and Sweden against the Czar. If Mr. Law had not been able to maintain France's credit so high he would never have solicited the Regent's support. Need he give further proof of the very high opinion he held of Mr. Law? Having arrived from Calais on the previous evening, he was now calling upon him first, even before going to see Lord Stair. He had refused to listen to the proposals made by a man who was entirely led by anger and fatuity, for he never for one moment doubted that Mr. Law was guided only by good intentions so far as his native country was concerned, for he was still connected with it, through Mrs. Law, by many family ties. Perhaps Mr. Law was somewhat piqued against the British Government on account of the way – it was obviously vexatious – in which it had acted with regard to his brother-in-law, the Earl of Banbury, who through one trifling duel and some silly rumours had been debarred for ever from the House of Lords. If Mr. Law had any wishes in the matter, His Majesty could now have

him admitted. It seemed to him that he had heard something said about a nephew of Mr. Law, Viscount Wallingford, who would much like to obtain a regiment. There would be no difficulty in presenting one to him.

Lord Stanhope stopped speaking, and awaited an answer.

'Does your Lordship consider that it is right for the Earl of Stair to remain in a country where he is the declared enemy of the Controller-General of Finance?'

There was no mere promise which could smooth over Law's hatred for Stair. His obstinacy was stronger than the subtlety of his present adversary, who in the end had to give in. Stanhope swore that the Ambassador should be recalled.

Just as Law was enjoying that delightful and altogether unexpected triumph he had a most unfortunate experience.

In December Stair had gone to the Palais-Royal to complain of the banker's calumnies. The Regent recognized them to be the ravings of a madman, and he undertook to bring him to his senses. The many ways in which the Crown was giving in to Law were not to the liking of the Ambassador – he was already sacrificed – and he again went to the Regent. Those extravagant proceedings were not to the taste of His Royal Highness either, and he did not hide his feelings. After such a thing had happened the excessive ambition and vanity of the man would go beyond all bounds. He knew him well. Nothing short of being absolute master would satisfy him. The aggressive qualities of his own abilities added to the contempt he had for other people made him impossible for any one to get on with. He had done his best to make him work with all the ablest men in France, and never had he accommodated himself

with one of them. He was a man who would not endure either opposition or contradiction. He could not bear the slightest restraint.

Urged on by Du Bois, the Regent made up his mind to give Law a severe lesson.

On January the 16th, which was the day upon which *Parlement* decided, in response to the public request, to 'consider the means of reducing the scarcity and the high cost of all necessaries of life,' Law in his coach was stopped from entering the great Court of the Tuileries, as it was his ordinary habit to do, by the officer of the Guards, who acted under orders. With his face paler than his neck-cloth the Controller-General stepped on to the ground.

When the members were leaving the Council, Law asked His Royal Highness the reason of this sudden measure, and was told curtly that for the future he must behave in a more modest fashion. The king of the Rue Quincampoix must not deceive himself so far as to believe that he was the King of France; that was what might soon happen if things were not put right.

Law accepted the insult without uttering a word.

The words spoken by the Duke of Orleans were the cause of another visit of the Controller-General to the stock-dealers in the Rue Quincampoix on the day after his nomination.

Cries of 'Long live the King' and those of 'Long live Mr. Law' – and the latter were the more frequent – had welcomed the originator of the System, and he was addressing his good people, standing up at a window:

'In May shares were at five hundred *livres*, and now they have gone up to eighteen thousand *livres*. Well, I

now ask you to what point are they going to rise, when everybody, instead of depending merely upon hope, will be able to see the effects of the true principles?'

'Long live Mr. Law!'

He went on and on with his speech, and quite contrary to what he had wished since the starting of the System, namely, that the shares were not to rise higher in market price than six thousand. At that price he had still been able to pay handsome dividends. He had not changed his mind, although he was now putting forward another idea. But, as he was always obliged to act quickly, it was now his duty to contrive some means of alluring the Mississippians and so prevent them from selling out. So, consistently with this policy, he pretended to believe that those who were now *realizing* were mere simpletons, impatient and greedy to play with their fortunes. He shamed them in public for their haste, which was preventing them from becoming richer still.

Those evilly-disposed people – perhaps they guessed what his calculations were – ceased listening to him, but continued to sell out. In those circumstances the public hesitated to buy. As a matter of course the market price went down slightly. As the System required public confidence to carry on at all, the Bank intervened at that point for the purpose of hindering a sudden drop, and accepted all the shares that were offered. But the more holdings of shares the Bank acquired the more notes it had to give out, and it became necessary to keep on producing more and more of them. Indeed, it was a matter of employing twelve printers instead of eight, and being obliged to discontinue signing the paper. It was impossible. And it was a vicious circle from which Law

wished to escape by making a run on the *rentiers* and the officials of the suppressed offices.

The vast undertaking, which was intended to repay all the State debts, was far from being achieved. A certain number of those who held deeds had exchanged them in the Rue Vivienne in September for shares. But there were still many people in Paris, and most of the provincials, who kept them.

It was Law's intention to repay them either in shares or in notes. But neither of these was exactly what the fund-holders wanted. They were afraid that in accepting shares they would see them sink in value, and that if they took notes they would be unable to use them. Through the mistake made by the *realizers* the value of real estate had increased fourfold, and he could not tempt them with an interest of 1 per cent. Their perplexity made it difficult for the people to choose, and they grew angry when they did not receive repayment.

Law was irritated by the foolish creatures, and determined that in January there would be a decree which would give them a shock. In this he ordered them to bring in their certificates by April the 1st. And they did not attempt to do so.

As a second decree left them equally indifferent, a third was issued in February, and in this something of a threat was added to one final attempt at persuasion. If they would not bestir themselves this time, their contract would simply be reduced to 2 per cent. But in order better to enlighten their foolhardy stupidity Law seized his pen, or rather *abbé* Tencin seized it at Law's request. And the *Mercure* had a splendid anonymous letter upon the new method on conducting finance.

The first few lines were sweet, perhaps even too sweet: 'I shall try to reconcile you with a System which acquires, day after day, greater stability and already embraces all sections of the State. . . .'

But the tone of the letter gradually warmed. Giving way to his usual custom, Law criticized the former administration vigorously. He was not troubling to laugh at those who considered the land as a retreat or as a haven of safety.

Having stated that money was dear only in poor countries, which was reasonable enough, he began to jeer at the *rentiers*. To regret not putting one's wealth out at interest was to complain that money had become too common. Did they wish to be like the physician who cursed the town where everybody had good health? The new System had carried the King and his subjects a long way. Why did they not also want to share in the advantages?

It was now that Law's doubly fine idea came in. It was his wish to transfer the funds – recently lent to the penniless Treasury, and which were now of no further use, having been spent some time back – to the Company, so that they might help in the development of trade to the advantage of the whole nation. It was still his aim to bring into the System not only the *rentiers* and the officials connected with the suppressed departments, but the financiers and the King. He saw in those several classes of persons the numerous public which he needed to buy up the shares which the *realizers* had sold without desiring to take any others. That same intention had been shown already, in November, when he had been so very anxious to include the incomes of the clergy in with the reimburse-

ments. This he had brought about. But there was considerable difficulty in the matter. The Bishops had called a meeting at Boulogne, and had just drawn up a protest against the immorality of investing in shares which upset the natural order so far as fortunes were concerned.

The letter in the *Mercure*, accompanied by a threat of a reduction of 2 per cent. on contracts, produced some effect.

The provincial *rentiers* hastened to receive their reimbursements, and rushed in diligences to the Quincampoix. Seats were booked two months ahead, and there was beginning to be some jobbing even in that.

In February over five hundred thousand people, including a good many idlers reinforced by pickpockets, arrived in Paris. Innkeepers, cookshop-keepers, and other less reputable people, who had fallen on bad times when numbers of people had left Paris in January, once more resumed their usual mode of life and their good humour.

No doubt there were gloomy and evil-minded men who said with a mocking smile that it was no longer the true Rue Quincampoix in its palmy days. The highest-class Mississippians had gone for good. Shares were not changing hands at above nine or ten thousand *livres*. All the offices had changed ownership, and the present stock-dealers were regretting that they had paid so much. But the little humpback was still there, and the guard of archers at each end under the command of an officer wearing a short cloak, and the nobles who entered by the Rue aux Ours.

One thing was new: at nightfall the *Rue* was closed with iron gratings to let the inhabitants get some sleep. There had been complaints that business went on even after

the street lanterns had been lighted. At least so it was said.

The arrival of the provincials caused the renewal of great commotion in the Rue Quincampoix. In their honour the game of 'thermometer' was brought into fashion. One clang of a bell warned stockbrokers to send the market price up; another clang was to make them bring prices down again. Between the two fortunes were made, or were carried away as clouds of smoke.

Law was troubled when he saw the *rentiers* begin to take part in the game; for till now they had been so timid. He prohibited private people from dealing in premiums; the sole right to do so was reserved in future to the Company. They had to deal purely on trust.

The unfortunate man had imagined that when once these good fellows up from the country had been supplied with their shares that they would take them away and leave them untouched. But nothing of the sort happened. In their turn they realized them too.

Soldiers were ordered back to barracks and other officers were recalled to their posts at the risk of losing their positions. The crowds of people were staying too long in Paris!

In a state of terror Law saw the new *realizers* who were all eagerly clamouring to change their notes for gold and silver, and thus were bringing paper-money into discredit.

Through the whole of January he had persevered in the measures taken in the previous month to keep up the value of paper-money. He had forbidden the removal of gold and silver objects from towns which had no Mint. He had established a compulsory fixed rate for the price

of notes throughout France. For those who used paper-money he had obtained an exemption of four *sous* a *livre* on their excise and salt taxes, as well as 10 per cent. on their contributions. He went on interfering with the currency.

He attacked gold from all directions at once. In consequence it was all the more in demand. Mississippians who had not managed to get as much as they wanted out of the Bank proceeded to buy up the contents of goldsmiths' shops and bought jewels. Simply to get rid of their notes people were throwing them away by spending them upon cloth, spices, and in fact upon every kind of thing. Lagrange, one of the most famous among them, bought up one entire issue of Bayle's Dictionary for lack of knowing what else to do.

Angry and uneasy, but still concealing his fury under a calm face, Law carried on his struggle against the wretches who were betraying him, although they owed all they had to him. He forbade goldsmiths to make, to sell, or to show any object made of gold or silver, and also forbade anybody to wear pearls, diamonds, or other precious stones.

But all the same people continued to acquire such articles, and did not mind showing them. For that reason the decree turned quickly against the interests of the Bank. For the jewellers, now overburdened with notes, presented a portion of them in the Rue Vivienne and sent the rest to their agents living in provincial towns where there were branches of the Bank.

Very soon the branches were short of cash. It had to be sent for in a tremendous hurry from Rouen, Lyons, Bordeaux, and these hasty expeditions did anything but

help to restore confidence. At Bapaume, Peronne, and Lille notes were already losing 18 per cent. In Champagne as well as in Burgundy no one would sell the products of the earth for anything but cash.

In Paris there was a shopkeeper who demanded one thousand *livres* in notes for four yards of cloth-of-gold at ninty *livres* a yard.

'That is quite possible, for it happened to me this afternoon,' said Catherine to her husband, in support of the truth of the tale.

Law had the foolish man sent for, and explained to him that there was only one currency in the kingdom, and that paper-money was the equivalent of gold.

'No,' said the man. 'Burn my cloth and you will find there is still something left afterwards. But if I burn one of your one thousand-*livre* notes, all that remains is just a little ash.'

Notes were squandered in all directions. At Saint Germains Fair they gambled with stakes of six one thousand-*livre* notes. And while this sort of thing was going on metal was being hidden or taken out of the country.

Law had already prohibited the removal of specie from the kingdom, and had obtained the right of search in private houses and religious communities. He further made it illegal for a man to keep in his house more than five hundred *livres* in gold or in silver, under the penalty of having it confiscated. He imitated Noailles and granted to informers the whole amount of what was discovered owing to their efforts: then he reconsidered it, and let them have the half only.

D'Argenson, with a fierce hatred of the Controller-General, whom he considered guilty of having laid a very

heavy responsibility on him, jeered and went so far as to say only a fool would make such threats.

There was no doubt that those kind words were instigated by his four friends, the brothers Paris. That was evident! They were just then making off to Switzerland with seven millions. Law had the convoy stopped, and it was seized; and he then ordered the mansion of his implacable enemies to be searched, and another seven millions were taken. Their insolence really went too far. He implored His Majesty to deprive them of their offices, and handed them over to one of the directors of the Bank, Artagnette.

The ferocious man of justice spared no one; André, the rich Mississippian, the notaries, and the *curés*, who were bewailing 'But they are alms' – they all fared alike. But why had they not changed their money into notes? One of his own clerks, Adine, was holding back ten thousand *écus*. Law took them away from the fellow and deprived him of his post. As for Verzenobre, he spent some terrible days – for he was concealing fifty millions. But as he was a young man who kept himself very much to himself, he was not betrayed.

Then there followed an event of serious importance. One of the fishwives came across a ten-*livre* note in the mud in the Fishmarket.

Monsieur d'Argenson was only too delighted, for the former head of police knew his Paris through and through. It was a long time before the abominable Law was to hear the end of it. And the cunning old Jesuit, who had been all servility when things were prosperous, rubbed his hands in glee.

Law, upon whom his evil-wishers looked upon as a

vanquished man, because for the last two months he had been straining his wits unsuccessfully to maintain the value of the note, began to put in motion means still more vigorous than the earlier one in order to prevent the failure of the System. In the course of a secret discussion he made these means known to the Regent, and then he immediately made by public advertisements a call for another general meeting, with the object of explaining the state of things.

The meeting was held in the Bank building on February the 22nd, 1720. Altogether there were collected about two hundred people, all of whom were at least outwardly dazzling. The great nobles were only in one small detail to be specially noticed among the common people among whom they were mingled: they were not the most superbly clad.

There was Monsieur Pasquier, until recently a footman, standing next to the Duke d'Aumont. Marshal d'Estrée had Monsieur Barbier as his neighbour, and the Baron de Breteuil rubbed shoulders with a certain Turetin. Between the Marquis de Villiers and Monsieur de Bully – a great friend of Law and one who had scored a great deal out of him – Monsieur Boula had pushed his way. The Prince de Léon had found a place near Saint-Edme, who used to be a mountebank.

The Duke of Orleans and Monsieur le Duc were there, but they stood apart. The Prince de Conti had preferred to stay at home.

The most striking point about the meeting was the absence of all the leading Mississippians. Such men as Chaumont, André, Perrine, Bragousse, Vignolles, Lagrange, Saint-Germain had, every one of them, sold out

their shares and realized on them. Only one was there, and that was Vincent Le Blanc, who in his zeal seemed to equal the upholders of the Bank.

Law made a very fine speech, in which, although he revealed some portion of the truth, he did not hide the fact that his own confidence was as strong as ever. He insisted upon one thing, but on that he insisted very particularly; it was absolutely necessary that all his proposals should be adopted.

The first and most important of them was to unite the Bank and the Company. It was Law's idea that they would both be strengthened by being thus connected. By this means he would be able to be free of the King, who was giving up his claim to any profits and as a director, but not his claim to inspection. The nine hundred million shares of His Majesty had to be paid back to him in ten years' time, for the Director had not managed to make him give them up, as he had hoped to do.

Further, he renounced the premium of 5 per cent. on notes, which by this time had become a farce, and suppressed the ten-*livre* notes, which were not liked by the public. The sinister shadow of the fishwife was not far in the background in this matter. The aforesaid paper-money had to be repaid in specie within two months. To restore confidence the Bank undertook to issue no further notes without first receiving permission from both the King and from the Company. Banking accounts were also created and ten million repayable shares, while the announcement was made that offices for the sale and purchase of titles were closed.

As a matter of course all the proposals were carried, and then six additional directors were elected, including

the worthy William, who was beginning to lose patience. After that the meeting broke up, and all were convinced that there were good times coming, and soon. On the threshold nobles and stock-dealers stopped for a moment to watch the soldiers march by. There were sixty of them, clad in brand new blue uniforms, with a broad silver band on their caps, and a sword-belt and shoulder-straps embroidered in silver.

The results of the discussions, made known to the public by means of manuscript copies, were sold as usual by the street-hawkers, and caused satisfaction to everybody in the Rue Quincampoix. But by some inexplicable phenomenon the text in print had a totally opposite effect. Evilly-intentioned persons remarked that the Company had done nothing in favour of the shareholders since giving the fabulous promises in December, and that, moreover, the Bank was paying out with disquieting tardiness.

Those who had been strong supporters of the System, now definitely losing confidence, quitted it in haste, and were delighted at finding at hand those provincials whose abundance of money was not yet exhausted, and who were unwary enough to buy at eight thousand.

Among the deserters from the Bank there were two of outstanding fame. The first, the Prince de Conti, sold out all the shares he had, for he was longing to take revenge upon Law for recently opposing his request for money, and then presented himself in the Rue Vivienne with the three covered waggons needed for taking away fourteen millions. The Bank was called upon to pay, and it did pay.

On the 2nd of March Monsieur le Duc started to do the same thing on his own account. He took twenty-five

millions. So far cash was still holding out and showing no sign of exhaustion.

When the convoys had set off Law went to lay his complaint before the Duke of Orleans, and His Royal Highness was so much vexed that he reprimanded him so severely that the other had no chance of threatening ruin. Henceforth the Controller-General had no more malevolent enemy. The creature gnashed his teeth, and flung so much mud at him that he was covered with it himself.

Just as they were leaving the Council the Regent suddenly addressed Monsieur le Duc, and impressed upon him that he was dissatisfied at seeing him take pleasure in destroying in one moment what he had taken so much trouble to establish. And he threatened to send commissaries to his house, and asked what had been his object in acting as he had done, and whether it was for the purpose of thwarting him, the Regent?

'I am very fond of money,' was simply what the great, lanky fellow with shifty eyes had to say. And he had thrown all his money at the feet of the slim little Madame de Prie. At least he did not insult the man whom he had just struck. He continued to take the children of his victim for walks at Chantilly, and it was an amusing thing to see the great-grandson of the man who had conquered Rocroi regulating his huge strides to the little footsteps of the Scottish goldsmith's granddaughter.

'I am surrounded by greedy, stupid, contemptible wretches,' growled Law, and he alarmed by his outburst of fury the gentle Robert Wilson, whose father had been Provost of Edinburgh the year before and who for some little time past had worked as his private secretary.

'Contemptible wretches! yes, that is what they are,' repeated the Controller-General. Had he not been obliged to send to Fort l'Evêque one of the Bank directors, Monsieur Perrinet, a former farmer general, and several clerks guilty of misappropriation of cash?

The avarice of some, the malice of others, and the mistrust shown by all ruined his very finest measures. For the sake of upholding the System he had hoped at the time of the general meeting to repair his unavoidable errors by degrees and to guard against extinguishing the feebly burning flame of confidence. Alas! that was no longer possible. He was now compelled to hurry, and to strike one tremendous blow.

He was still keeping up his sleeve two measures capable of saving everything if the Regent would adapt them that very day.

'My coach!'

He went in all haste towards the Palais-Royal and took his writing-case filled with documents. . . . But really those Frenchmen understood nothing about money. And he was angry that His Royal Highness was so very anxious to maintain the fixed price for notes.

'It is not in accordance with true principles,' said he scoffingly, and more or less repeating words formerly used by the Scotsman. 'The value of every single thing varies according to the variation of the quantity available of such things or to the demand for them or their usefulness. For any one to go and promise to-day that notes are invariable is to promise an altogether impossible thing.'

His Royal Highness refused to listen to him further upon the subject, but he approved the rest of his scheme, and the Controller-General revised his draft before leaving

the Palais-Royal, and on the following day, March the 5th, the Council of State issued the new decree.

He would have been wiser to support it with another long letter to the *Mercure*, for the effect was disastrous.

'He has lost his wits! That's the end of the System,' shrieked the Rue Quincampoix as it became more and more disordered.

'Fools! Fools!' was Law's answer to this, and he was beside himself with rage. 'This is the only measure which can possibly ensure the safety of the Company.'

The step taken was fearless and bold, not to say foolhardy.

Once and for all he had fixed the market price of the shares at nine thousand *livres*, and the rates of interest at 2/9ths per cent. in order to be sure of paying the dividend henceforth, and at the same time he opened again the offices for the sale and purchase of shares, closed for the last six days.

The share, therefore, became currency. By giving way to temptation in a form common among State financiers he had aimed at the unification of the total mass of paper-money then at his disposal.

'The fixity of the price of shares opens up a new prospect in the administration of finance,' he had explained to the Duke of Orleans, who from that moment did not appear to understand him very well. 'There must be a reasonable proportion existing among notes, specie, and shares.'

On March the 11th he had a second decree issued relating to currency. As the market price in the Rue Quincampoix was only eight thousand, he knew there was sure to be a rush upon his office, and that he would have to

fall back upon the printing-press for more notes to enable him to pay. He would be helpless if his cash failed to meet the demand, so he determined to suppress gold. After May the 1st the *louis* were to be no longer in circulation; silver coins, with the exception of the 20-*sous* piece, would be withdrawn from December the 31st.

Holders of specie became alarmed. Mississippians, with Bragousse to lead them, brought in their gold, and within twenty-seven days the Bank had swept in forty-five millions, which were useful in replenishing the gaps in the Treasury.

As for the *Parlement*, it was indignant, roused protests, and was completely against the great enemy – Law. What was he going to get at next? The members grew heated and ceased to make it out, and Law left them to say what they liked. He had his own plan; it had been put before the Regent, and His Royal Highness had adopted it, though certainly his consent had been not easily obtained. He had waited for some time before putting it into play, and then it was done imperceptibly and in such a way that professional financiers themselves were not able to get to the bottom of his secret.

And now for the time being – having abolished gold and condemned silver – he was making preparations to put a stop to stock-dealing by closing the Rue Quincampoix, which had become far too noisy. As there would be no further change in market prices there was simply no object in the business it carried on.

It was a dastardly crime that soon gave him the opportunity of bringing forward that new act of defence as a measure taken on behalf of public morality.

For the preceding two months Count Horn, a man of

twenty-two, connected with the principal families in Europe, had been living in Paris, and there spending the twelve million *livres* allowed him by his father in gaming and in houses of ill-fame.

On March the 22nd this gentleman happened to be in need of money, and made his way to the Rue Quincampoix accompanied by two of his queer friends, and his choice fell upon a certain La Croix, a tapestry worker and broker, whose pocket-book tempted him. Upon the pretext of buying a hundred thousand *écus*' worth of shares, they took him along with them to the *Epée de Bois*, a tavern at the corner of the Rue de Venise, and then asked the landlord to take them up to a room on the second floor because they much wanted to talk over some business matters. A water-carrier who lived in the room below heard the man's groans through his ceiling, and gave the alarm. Men rushed up the stairs, but the assassins had already fled. They discovered only the unfortunate La Croix, whose head had been wrapped in a cloth, and who finally died of wounds from a dagger all over his body. The criminals were arrested on that same day without any difficulty.

The high rank of the chief offender caused his family connexions in all parts of Europe to come forward and implore the Duke of Orleans to show leniency. Law was equally insistent – but he was against the Count. He had recollected that the Count Horn had had plans in his mind of attacking the Rue Quincampoix in three ways. Firstly, by holding up the guard; secondly, by spreading confusion; thirdly, by robbing people of their pocket-cases. Such threats could not be other than fresh injuries to the System. It was now such a perilous moment that there

must be no hesitation, and he must act with vigour and severity.

The count's own family appealed again, and begged that at least a prince might be spared torture on the wheel. The Duke of Saint-Simon was always a good man to apply to for help and never minded interceding; he urged the Regent as strongly as he could to spare the count's family any such superfluous humiliation. But His Royal Highness remained firm. In his opinion, 'It is the crime which makes the shame, not the gallows.' On Shrove Tuesday, March the 26th, the Count Horn was broken on the wheel in the Place de Grève in Paris.

On that day Law did not go to pay his customary visit on the Duke of Saint-Simon, and was delighted that the duke had gone to see his work-people at La Ferté; it happened that he therefore missed having to listen to a disagreeable speech.

Indeed, a public example had become necessary. For some little time past instances of crime had been becoming more and more frequent. It was only on the previous day that a man who had just come away from the Rue Quincampoix had been murdered between seven and eight o'clock in the evening on the Quai des Augustins. And the week before that a woman had been found, strangled and in a sack, under an overturned coach. In fact there was scarcely a day when arms, legs, and human bodies in mutilated fragments were not taken out of the river.

There were countless numbers of forgers. One heard of nothing but thefts and robbery. Behind the waning star of Law there was that of Cartouche on the point of rising.

For once in agreement and sympathy with hotel-

keepers, tavern-keepers, and the most disreputable women of the town at seeing foreigners flee in a state of alarm, the moralists were in despair. As was their wont, they sought to find the cause of so much disorder. Well, it certainly was a most unfortunate thing that so many – too many – people were anxious to become rich in haste. The contagion had spread to the lowest of the low, who had no objection to making use of dishonest means to reach that same end. Was it not very sad to hear fools saying that even when possessing a million they were not rich? And to see the most insignificant courtier go and order a carriage and horses the very moment he has got hold of a hundred thousand *livres*? Sensible people did not behave in that way. . . . They simply abstained from making any show and went to live quietly in the country. . . .

What did Law think about these matters? He was in no manner concerned with questions of morals unless they happened to be detrimental to the System. Beyond that, and if he had had time to philosophize as idlers were inclined to do, the state of his own affairs would have provided plenty for him to reflect upon. At that time he was being overwhelmed with titles and honours – and with insults.

He had just been nominated Superintendent of Finances (there had been no such position since the time of Fouquet), and his son was returning from the Tuileries with his eyes filled with tears.

'I don't want to go there again,' said the boy. 'They call me *Sir System*.'

'They are fools. Calm yourself. You are no longer a child – you are getting on for twenty. Go along to Monsieur Chesneau.'

So the father was not enough for them now! What humiliations he had had to undergo during those last two months! Humiliations that had crept in as soon as the very first crack had shown itself in the System!

Marshal Villeroy had at last condescended to dine at his house, in company with Monsieur de Contades, Monsieur d'Angervilliers, de Fontenelle, and several other gentlemen. . . . Three weeks later he was spreading rumours everywhere that Law was a sharper, and treated him as such. If only he had kept to his military exercises and his handsome fellows under him whom he thought so much of: for he knew nothing whatever about finance.

Poor Law! He was insulted even at the Regent's table. One of the *roués*, the Comte de Broglie, said that he was a good physiognomist, and that according to the rules of his science he could safely say that Mr. Law – who was present – would be hanged within six months. He added, 'By the order of your Royal Highness.'

It was a curious thing. Everyone seemed to promise that he should go to the gallows. *Parlement* and poets, for had they not recently written:

Avec sa mine arrogante,
D'une voix insolente?

Were they taking their vengeance on him for having made nothing out of him? Well, well, so much the worse. He was paying out a great deal, even sums of money due to the mistresses as well as to their protectors.

He was receiving insults from abroad even. For instance, there was a packet of horrible things that had come from Holland. The old amateur of pictures and engravings recalled his early tastes. These prints were signs of treachery, but as pictures they were fair enough.

In one the System was shown driving in a chariot of Folly, with lions devouring the colonists in Louisiana, which was represented as if it were a desert.

The matter was all too plain. The Dutch were jealous of him, and were trembling on account of their East India Company. And then, of course, there were the English. He still hated them, because Lord Stair was still staying in Paris, simply to defy him, although he had been recalled. A few days earlier the late ambassador had gone to feed greedily at the house of Du Bois, who was giving a fine banquet to celebrate his nomination to the archbishopric of Cambrai. But as for Law, he had not been invited. He didn't mind that. But all the same it meant that in future he would have nothing more to do with Madame de Tencin's dear friend than was absolutely necessary between men who so often had to meet at the Council.

These trifles hurt his feelings, but they did not hinder him from doing his work. However active a man might be, there was enough to keep him busy in fighting the opponents of the System, maintaining paper-money, adjusting the coinage, controlling finance generally, to say nothing of supervising a thousand other matters. Law never spared himself.

At the end of the previous year he had sent out eighteen vessels bearing merchandise, as well as eight millions' worth of specie, for the purpose of trading in India, China, and on the coasts of Africa, and he had had good news of them.

In order to flatter the vanity of the foolish he had created dukedoms, earldoms, and marquisates in Louisiana, which was as ever the object of his most attentive care, and he had bestowed upon himself the dukedom of Arkansas.

Monsieur d'Artagnan, Monsieur d'Epinay, Monsieur Le Blond, the Count de Belle-Isle, and Madame Chaumont had all bought grants of land. He had even formed little societies, the first of which included as its members the Duke de la Force – he was now nicknamed Mr. Law's head clerk – the Count de Mosselles, the Chevalier Fontana, and Monsieur Girardin de Vanvres.

The *Compagnie des Indes* had lately purchased Belle-Isle to make into its chief depot for stores in France, and twelve new ships, which brought up the number of the company's main ships to fifty-eight.

During the early months of 1720 departures from the ports had been numerous. Very nearly ten thousand people had embarked on the *Gironde*, the *Elephant*, the *Loire*, the *Seine*, the *Dromadaire*, and the *Venus* for Louisiana. There were men and women of every description included in the contingents: vagabonds, contraband dealers, footmen who had been dismissed from service, steady working men who were allowed an advance on their pay, young women of shady character, children from orphanages, some Jews, and a number of hefty youths recruited in Germany, Switzerland, and in Italy. Voluntary emigrants were granted 280 acres of land and exemption from all taxes for three years. But such emigrants were in the minority.

The serious blow levelled at the Mint by the marvellous silver mine in Mississippi, which was producing ninety fine marks per hundredweight, the setting out of the military expedition ready to take possession of the rock composed of emerald, the factory where twelve thousand lovely Indian women were occupied in silk-making, the approaching visit of the Queen of the Sun – she was already

betrothed to a sergeant in the Guards – not one of thes dazzling attractions had tempted the true adventurers who obviously believed that in such very troubled time Paris was still the best place offering scope for thei talents.

'By free will or under compulsion' might well have bee Law's motto. In May he launched his famous bandoliers dressed in very much the same style as were the Ban Guardsmen, but there were more of them, they were bette armed, and altogether appeared more frightening. The seized everyone they found loitering in the streets, fro the son of the rich grocer in the Rue Saint-Honoré, wh shrieked and howled, down to the daughter of one of th watch-guards – and she was very indignant. On the whol they were good fellows and fairly reasonable. For a goo payment in cash they acted for the benefit of women wh were weary of their husbands, and seducers who feare the vengeance that might be taken by some shop-gir D'Argenson had to make great efforts to prevent Du Bo from resorting to their offices, and was successful. Th archbishop was most anxious to rid himself of a poo wretched young woman whom he had abandoned a lon time ago, and who was trying to get too much out of hin Law was more fortunate with Lamotte-Cadillac. Tha ridiculous soldier, who still had such very unpleasan recollections of that accursed country, also had a certai inclination for the truth, and so he went about everywher gesticulating and describing as senseless lies the Emeral Rock, the silver mine, and all sorts of other things. Suc a scandal could not be allowed to go on. Law had the ma put in the Bastille.

He was finding it impossible to lead Frenchme

without telling them a few lies – more if necessary. He knew them well. In order to try to make himself popular (this was now no easy matter) he bought two oxen at the market in Poissy, weighed them, and sold them to the public more cheaply than did the butchers, who had refused to lower the prices of meat. He thought of manufacturing cloth, for he always had the one object of struggling against the high cost of living. And as no one might be overlooked, he granted two millions to bankrupts, and he sent one hundred thousand *livres* to the *curé* at Saint-Roch so that he could complete the building of his church, at which he, Law, had attended the Communion Service on Easter Day, and thereby attracted an immense crowd.

He had in mind matters more lofty than those concerning meat. It was his dream to establish the Royal bounty in place of the former taxes. . . . At last, on May the 3rd, 1720, he decided that instruction in the University of Paris was henceforth to be free.

A few days later on the University organized a vast general procession as a sign of their gratitude. The gigantic stream of people took hours to file past the Pavilion at the Tuileries, just facing the Pont-Royal. Surrounded by his Court, the little Louis XV was laughing at the queer costumes: in a corner and alone stood a tall stranger, a Scotsman, and he was one of the very few who appeared to have any dignity. He watched as they passed by the Franciscans, the Augustine Friars, the Carmelites, the Jacobins, the Masters of Arts in their black gowns and wearing little caps without fur, and the Benedictines of Saint-Martin-des-Champs, followed by numbers of other ecclesiastics in their surplices and copes; there were

bachelors of medicine in black gowns with ermine hoods, bachelors of law and theology also in black gowns with fur, doctors and others wearing red gowns or copes with epitoge or hood lined with fur, the four Procurators clad in red robes with black and grey ermine, resembling those worn by the Electors of the Empire, doctors of medicine also in red gowns or copes, the Rector in his purple gown and the royal cape bearing the purse of purple velvet trimmed with acorns and gold braid and his black hat, accompanied by the Dean also in a purple gown with fur, the Syndic, the Clerk, and the Recorder; these again were followed by the University printers, the papermakers, the parchment purveyors, the engrossers, the binders, the illuminators, and finally the chief messengers, all sworn to serve the University, and led by their clerk, clad in dull red gown and a tunic on which were embroidered the coat-of-arms of the University – a herald bearing the royal staff azure sown with fleur-de-lis or.

What a beautiful spring day it was in Paris, with the streets decked for the festivities! It was a great sight to see the masses of people surging and pressing forward along the route! The sun looked white, as if it might have been liquid silver, the river was clear and bright, and the chestnut-trees were just turning into green. What agony Law had to suffer! His gaze could penetrate far beyond the ridiculous Marshal Villeroy with that odious powder on his face, and beyond the Regent, too, who had a rather wry smile. It seemed that the conspiracy engineered by d'Argenson had even gripped the Regent. His Royal Highness had now refused the banker the three millions of specie which he promised him in March, and which, if they had once reached his clever hands, would have given

him such immense opportunities. There were too many notes in circulation; the price of shares was still too high. 'They are worth only six hundred,' he said obstinately. He had proposed to call in by degrees all the notes and at the same time to allow the price of shares to fall – and all this was to have been done so pleasantly and so mysteriously that no one could possibly have held him responsible. Why was it that the Duke of Orleans would not let him have the thirty millions? As he was now standing he could see nothing from behind all those backs but the back of His Royal Highness's wig. If he could only convey what he was thinking into that head and influence it, he could, he *knew* he could, save everything yet. But alas! he had no hopes of securing mastery.

The fête was over. Children, dancing and carrying branches, followed the last of the 'gowns.' The young King, who had much enjoyed the day, withdrew amid bows and curtseys on all sides.

It happened that as Law was standing back he trod on some one's toe, and as he turned to apologize he recognized Monsieur de Beuzwald, who had been back at the Tuileries for some little time.

'It is very, very . . .' said the major, hesitating a little.

'Yes, indeed. It is. Very . . .' replied the other, just slightly absent-minded, and always careful of his words.

On the following day Law saw the Regent. Energetic and even rough measures had to be taken without delay, otherwise the System might be ruined definitely, and the kingdom thereby thrown into a state of chaos from which Law had drawn it. There was no time now to carry out the slow operation which he had recently thought of, and which his enemies, bringing all their influence to bear upon

His Royal Highness, had done their very utmost to keep back.

Law calmly laid down his proposals for re-establishment.

Shares were to be lowered at once to eight thousand five hundred *livres*, and to be brought down by December the 1st to five thousand five hundred by means of gradual monthly reductions. Notes were to be brought down in price immediately, according to their values, to eighty, eight hundred, and eight thousand *livres*, and also by gradual and proportionate reductions each month they were to be, respectively, fifty, five hundred, and five thousand *livres* by December the 1st.

'By acting thus you are going to defraud the public of half of their wealth,' observed the Duke of Orleans.

'Will Your Royal Highness kindly allow me to show him that that is not the case? This reduction will be for the good of the holders of notes and shares, for the money realized in this way will produce dividends of their own with further advantages attached, and then again they will be convertible into solid cash, which will produce a great deal more in specie or in silver bullion after these reductions have been brought about than at the present moment.

'For I am proposing to diminish specie by two-thirds, and five hundred *livres* in *monnaie forte* thus become the equivalent of fifteen hundred *livres*.

'A share now is worth nine thousand *livres* and a mark is worth ninety. Consequently one share represents one hundred silver marks. When the share becomes worth five thousand five hundred *livres* the mark will be worth thirty; and a share will represent then one hundred and eighty-three marks three hundred and thirty-three.

'Obviously the operation favours credit. As a matter of fact, if we reduce specie by two-thirds, notes are worth but the half, and shares only four-ninths.

'May I remind your Royal Highness that I have already placed this proposition before him, last March, and that he had given it his approval; I had put the idea aside for the time being merely in the hope that he might show his willingness to interest himself in a new project which has the same object in view, though somewhat modified, and which has not yet had the honour of receiving the approval of Your Royal Highness.'

Going over his arguments again – and they were all so reasonable – with calm determination, mystifying the Duke of Orleans with them and taking advantage of any hesitation on the part of the Prince, and never faltering, Law, at the end of this long speech at last made him adopt the decision as being the only one feasible.

As soon as the Regent had been convinced he wanted to go and convince the Duke of Saint-Simon, who had just been to take leave of his friend before going to spend the vacation of the Council at La Ferté. Without troubling to acknowledge that he understood nothing of finance, he considered that the decree was risky.

Law had foreseen objections on the part of ignorant people. The measure was still only under discussion in committee when *Parlement* and the chief members of the Council left for the country. The meeting was composed of only Du Bois, Le Blanc, the Under-Secretary of State for War, Le Pelletier des Forts, who was anything but a leading light, and the redoubtable d'Argenson.

The Keeper of the Seals slyly praised such a wise, useful, and remarkable decision, which could not fail to arouse

Paris, and perhaps – if God would but vouchsafe that grace through the prioress of Traisnel – it might provoke serious sedition.

The old sinner had foreseen correctly.

The decree published on May the 22nd upset the whole of Paris. Confidence was no longer in a bad way; it was dead. No one condescended to read the third letter in the *Mercure*, in which the author of the System conveniently recalled that there had been opposition made within recent times to the ideas of another man of genius – ideas held by the world at large, individuals, corporate bodies, and men holding the highest places among the learned. . . .

This comrade in misfortune thus designated was Descartes.

But no one thought of laughing. Everybody was overburdened with paper-money and believed that he was ruined. The anger of the public was turned against Law as much as against d'Argenson, who was considered to be his accomplice. Papers, prepared and written in very quaint style, announcing a new St. Bartholomew's Massacre, were passed from one to another. The people up from the provinces, and the foreigners in Paris as well, took seats for the *diligences*, which were not starting punctually as they were wont to do; that alone was considered a sign of serious disorganization to come.

The entire kingdom was seized with panic. When the intendants received the decree they let everything simply go to the dogs. For instance, the *intendant* at Bordeaux, in a fearful rage, smashed a mirror.

However, the members of the Council and of the *Parlement* hastily made their way back to Paris. The Duke

declared himself, in public, the enemy of John Law. He raged and made a tremendous fuss, scoffing whether the mark was at ninety or at thirty, for he did not understand anything about it. The mechanism of the whole affair seemed to be a little clearer when four millions (one of which was for Madame de Prie) had been paid out to him.

The mob grew angry. Stones were hurled at the Bank windows. At this point Law went forward in the garden, and again tried to use his persuasion.

'If the public wishes to avail itself of my good intentions I am at all times able to make trade more prosperous than ever.'

'We have had enough of that! Enough! Thief! Quack!'

There was hissing, and Law withdrew to the sound of yells and cries.

The Regent behaved handsomely. He took him with him into his private box at the Opera, and together they faced the spectators.

Nevertheless there were far too many alarming rumours going round in Paris for the Prince not to be frightened, and he humbly received the *Parlement* with expressions of willingness to listen to what they had to advise. The court nominated deputies, called a meeting, before which they had already prepared a case against Law, ending with severe punishment.

The Prince of Conti, present at that meeting, nearly died of joy. Monsieur le Duc was less cold-hearted, for he still had the feeling in his hand which the four millions had caused him, but he listened very politely all the same.

D'Argenson had rushed from one to another, inspiring everyone with feelings of hatred against Law, and he pretended to have in his pocket a *lettre de cachet* all ready for

the purpose of sending him to the Bastille. He misled the Duke d'Antin so successfully that the latter went to the Regent to solicit the position thus vacated.

But his half-brother-in-law had eyed him up and down as he deserved in the circumstances, and said: 'I thought you were a friend of the Controller-General.'

The Duke stammered out a few words and then went to apologize to Law.

On the 27th, at eleven o'clock, the deputies were assured that the decree should be cancelled, and that the finances should be placed in the hands of Messieurs d'Argenson, Pelletier des Forts, Ormesson, Fagon, and La Houssaye. The last two of these, accompanied by Monsieur de Trudaine, the chief of municipal administration in Paris, appeared at the Bank on the 28th with authority to examine the Treasury. Bourgeois showed them their way – but his manner, in their opinion, was somewhat abrupt.

Law had remained in his own house, having dreaded arrest more than anything. . . . On the evening of the 29th Le Blanc, Under-Secretary of State for War, visited the Place Vendôme and told the banker that the Duke of Orleans wished to thank him for the care he had taken in the matter of the finances, and now had dismissed him from the office of Controller-General.

The unfortunate Law longed to know who were his successors, and among them he recognized some who were most incapable men, and as a concluding remark stated that his enemies would not have had to rejoice at being powerful enough to cancel such an excellent decree. Then he went upstairs to tell his news to Catherine.

He did not disguise the fact that the System had been 'killed' that very day, thanks to the ill-will of fools; and

that the French were thoroughly stupid so far as money was concerned; and that there was nothing to be done but to get out of the country.

But Mrs. Law made him ashamed of his discouragement. . . . He must do all he could to win back the Prince's confidence and that of the public and apply his powers of genius to bringing down his enemies. In any case she refused to go away.

John's answer was that he would struggle for ever: but that was to calm Catherine.

Suddenly he trembled. There was a sound of feet in the hall. He left the room and walked towards the staircase. Then one of the footmen ran up to him and said: 'Sir, the Swiss Guards have arrived.'

Law went down, very pale.

Monsieur de Beuzwald, two captains, and seventeen men were there. Eight of the Guards had just been placed in William's house. At last William had his coveted Guards – when he no doubt would have preferred to be without them.

The major very amiably explained that as a great many people had considerable dislike for Mr. Law, the King had decided to place about his person certain very worthy officers, who would see that he came to no harm.

'Is it really for my protection, or for the purpose of keeping me a prisoner?' inquired Law.

The soldier showed by his silence that the difference in the shades of meaning in this escaped him.

Lord Peterborough arrived upon the scene just at that moment. He had not long been in Paris, and had heard some of the extraordinary news; and, like the stranger that he was, he rushed to Law for more particulars.

Law got him into his private office, wrote a letter, and begged him to take it to His Royal Highness.

Peterborough was delighted to be entrusted with such a fine-sounding commission, but was back again within an hour. The Duke of Orleans had given him to understand – through the door-keeper – that the note required no answer.

This time it meant nothing but disgrace.

It is always a mistake to give in to the proud wishes of a woman.

§9

SYMPATHY

The Duke de la Force was one of the first to make an appearance in the Place Vendôme on the following day. He was exceedingly sorry not to have called sooner.

'I am very much grieved, dear Law. . . . But I was sleeping yesterday. Yes, indeed, I was asleep. My emotions were too much for me!'

As a matter of fact, he had had a foolish enough experience a short time before this. Although appointed ambassador to London and entrusted with many confidential affairs, he had been hastily recalled just as he was leaving Calais. This had cost him a hundred thousand *écus* in useless expenses, and regret that he could not benefit his dear, good friend. For young Law – whom he had much wished to help on – was to have gone with him, as well as Monsieur Poze, keeper of the King's medals. There was only one thing which comforted the Duke in these troubles: he would now run no risk of meeting his mother, who was living in London in very poor circumstances.

There were no end of petty annoyances – he was speaking of his mission, which had so completely fallen through. His dear Law was a victim of mischief-makers, but he himself suffered from them a great deal more.

The Duke shrugged his shoulders at the name of Lord Peterborough, who was notorious for his rashness. The

whole thing was perfectly clear. The Prince had misunderstood. They had better go at once and together to the Palais-Royal. . . . They did so: but the Regent refused them admittance.

Towards evening his anger left him. Sassenage, a gentleman of the bedchamber to the Duke of Orleans, had come to tell Law that His Royal Highness would see him that night, and that he merely had to enter by the secret doors.

'I shall be there. You know the little gate?'

Alas! Law knew it very well. It was what he had used when the conference concerning the Royal Bank had been held.

The Regent received him well, and each of the men, according to his rank, apologized, and they were on good terms.

'The strange thing is that every one is attacking d'Argenson. It amuses me so much that I am nearly ill from laughing,' said His Royal Highness, who was justified in his contempt for men.

Amiable and easy-going as usual, the Prince invited the late Controller-General to attend his supper-party. But Law preferred to go home and reassure his wife. And besides, the *roués* were against him, and he had no inclination to see Madame de Parabère again: she had been one of his feeble supporters. So much ingratitude brought dishonour on her and deserved vengeance. He would very soon find some other woman to the Regent's liking, and whom he would instal in some artful way.

As he was taking his departure he caught sight of sad-looking men and women – some without wigs and forcing themselves to drink – seated at the end of a long chamber

with two fireplaces and plaster columns, through the open door facing the Prince.

On the 31st of May there were more visitors at the Place Vendôme than there had been on the previous day. Monsieur le Duc remained closeted with Law for two hours. All the dukes and all the duchesses were allowed in later. They were all lively and excited according to their characters, but every one was down on d'Argenson.

'His soul is as black as his wig,' snarled Monsieur le Duc.

Law was congratulated that shares had fallen to six thousand. He would surely have to be recalled in order to make them rise again.

The crowd collected in front of the house were discussing affairs in the same manner. The decree of May the 31st had been so incomprehensible to them that they could not believe that Law was not at the bottom of it. It was less difficult to overturn an idol than it was to 'kill' the place he held in their minds. They did not defend him – they merely attacked him, hoping all the while that they were in the wrong.

In the highest ranks of society there were a few people who appeared threatening. But the Swiss Guards got rid of them by severe glances.

The Palais-Royal was trying to find new titles for Law. There were coaches constantly coming and going. They had to do with the many and lengthy secret meetings then being held.

On June the 1st the public learnt that he had been made a Councillor of State, Director of the Bank and of the Company, and Intendant-General of Trade, with the right to a seat on the Regency Council.

Sometimes Fortune does smile upon gamblers. . . . Once more Law's luck had returned to him within three days. It might have been said of him: 'He has been seen alive; he has been seen dead; and he has been seen alive after death.'

There were still his enemies to be settled with. Thirty *lettres de cachet* were required. The four brothers Paris were sent away into Dauphiné. Law would rather have had them sent off to different provinces, but La Vrillière protested against any such excessive and unnecessary hardship towards such devoted brothers. The complaints laid by Fagon and Trudaine against the so-called insolence shown by Bourgeois had to be put right. Dodun was made Intendant of Bordeaux in place of the gentleman who had smashed his mirror. The hardest thing of all to do was to find a successor to d'Argenson, who had been now dismissed once and for all.

The Regent was struck by a strange idea: he would offer the Seals to the Duke of Saint-Simon. However, Saint-Simon made an exclamation of astonishment, and said he neither wished to lay himself open to be the laughing-stock of everybody nor to overtax his brain by studying for such a career. Then His Royal Highness went to the trouble of reading the names of all the magistrates mentioned in the *Almanach Royal*, but not one seemed to be what he wanted. Law suggested Daguesseau, who was a good, honest fellow and generally liked, and who was at that time living neglected on his estates. So upon the 6th of June, towards six o'clock in the evening, he set out for Fresnes, accompanied by the Chevalier de Conflans, a gentleman-in-waiting to the Duke of Orleans and first cousin of the Chancellor, in a coach and four and two out-

riders, and his footmen in disguise so that the general public in the suburbs should not recognize his only too well-known liveries.

Feeling certain that the mission would be successful, the Regent empowered Du Bois on the 7th to go and demand the Seals from d'Argenson, who, not caring anything about his new official position as Inspector-General of Police for the whole of France, had betaken himself to Madeleine de Traisnel. Love proved to be no consolation in his disgrace. Two weeks later he had succumbed to jaundice.

On the 8th of June, two hours after midnight, Daguesseau was back in Paris, and with great satisfaction he reinstated himself in the fine Chancery in the Place Vendôme.

The cavilling mass of the people showed signs of disapproval. The public was always astonished if a minister possessed less care for his own honour than taste for power.

There were more serious things to be attended to when once the political comedy was in order again.

The King had already restored the circulation of gold and silver, and, although it was rather late, he had renounced his claim to his hundred thousand shares.

Pelletier des Forts, at the head of three others, had become more or less the Controller-General now that d'Argenson had been ousted. Law still kept a hold on everything.

He was doing his utmost – though not as he had done on the 21st of May – to reduce the number of notes that were in circulation, to convert shares, and finally to diminish the currency.

He publicly cancelled millions of paper-money, and

decided that all notes of one thousand and ten thousand were to be burnt. For the purpose of calling these in he created a hundred million of notes of one hundred and of ten *livres*, which were stamped *Division* and intended to be cut. These were brought back in large numbers.

At the same time Law claimed three thousand *livres* a share, payable either in shares or in notes. He gave two new ones in exchange for three old ones. This reduction of one-third enabled him to pay a fair dividend of three hundred and sixty *livres*.

But subscribers had turned away and did not care to listen to him. So he refrained from distributing dividends which was not to their interest.

Nevertheless the banker tried his hardest to re-establish the business upon the wreckage. But each time he moved a stone it was sure to fall down on his shoulders.

Still determined upon calling in the notes, he reopened the offices of payers, and created a fresh twenty-five millions, and then a further eighteen millions of *rentes*. The first book of these was never more than half-filled, and the second was closed without a mark on a single page.

Always persistent, he sought a new means of absorbing and destroying six hundred millions of notes. He was anxious to persuade merchants to use banking accounts, and in that way limit the circulation of cash and notes. But somehow those people did not like the idea of those convenient means, thanks to which payments could be made simply by a signature at the foot of the forms.

He spoke again about Amsterdam; men merely shrugged their shoulders. The time had gone by when anybody would listen to his mischievous talk. No one dared deposit funds in the Bank even in the shape of notes,

for these were steadily losing their value day by day. Such stupidity exasperated him, and he became rough. He owed a large sum of money to Crozat, and he paid it into his account. Crozat protested against that authoritative proceeding. The matter went on and they quarelled in the presence of the Regent, just as if they were two common men in the street.

'You must send for the money that you have abroad,' commanded Law.

'I refuse to answer unless His Royal Highness condescends to question me,' rejoined Crozat.

His Royal Highness had also grown impatient. And he still kicked Du Bois from behind. . . . The Archbishop regretted this: those ways might be all very well with an old tutor, and even with a minister, but they were not at all suitable now that he was an archbishop.

'Be silent, you rogue. People are quite right who say that if you had not had Cambrai you would never have gone to your first Communion.'

Affairs were in a terrible state. What made the situation so tragic was that no one, at least none of the better sort of men, had a single *pistole* to his name. And then tradesmen were refusing notes. It was necessary at all costs to secure specie.

At first the Bank had reimbursed notes valued at one hundred *livres*, and then only those of the value of ten *livres*. After that people had arrived in such large numbers that the Bank had had to shut the gates under one pretext or another.

Then it was decided that money should be exchanged twice a week only – on Wednesdays and Saturdays, which were market-days – at the eight commissaries' in the dis-

tricts, who would receive two hundred and fifty thousand *livres* in cash. The public fought for entry, and were most indignant to be appearing as if they were asking for alms. The commissaries behaved as if they were 'ministers on a small scale,' and they let their personal friends in by the back door. . . . But after the 6th of July they ceased to make any payments. They stated that they were thoroughly tired of their duties. There were men constantly climbing up over their walls, and they no longer felt any sense of security. As for the Company, it was not without great difficulty that it could supply such immense sums of money.

Parlement sent a deputation to the Palais-Royal to demand the opening of the Bank, and the Regent replied that he would do whatever he found it possible to do. And he spoke of the foreign exchange, which was causing a great deal of loss, and that ought to be regulated before anything else.

However, the Bank agreed to cash one note of ten *livres* for each person. The public were admitted by the Rue Vivienne and through the garden to the offices, and when the garden was filled with people the Guards allowed no more to enter. For the purpose of regulating the coming and going of the people, they were guided into a suite of rooms about eight or nine yards long between the wall and a wooden barricade.

Some dreadful happenings took place there.

Soon after dark people crowded in from the suburbs and waited all night, and even got through the railings. There were some who climbed up over the houses which were being pulled down to make space for the famous *Bourse*. This was never out of Law's thoughts. Were there not

at that very time six hundred workmen still busily employed on his new Mint? And then there were active youths who got themselves up into the chestnut-trees, and then slipped down into the garden.

Lackeys and anyone with money for sale mingled in among the workers, and sold at a profit of 30 per cent. When the struggling was over the men made their escape soaked in perspiration – they were as wet as if they had just been picked up out of the river – and in a state of exhaustion they crowded into the taverns. In order to get ahead of the others some would balance themselves in company on the barricade, and then make a leap into the mass of people below. Every day there were men and women trodden to death, or stifled. On one occasion a Guard drew his sword and killed a man; and then they started to throw stones.

At dawn on the 17th of July twelve corpses were counted. The public had become mad with rage, and now abandoned the Bank, forgetting why they had all waited so long and at such danger to themselves; they made straight for the Palais-Royal, taking the bodies with them.

They demanded to see the Regent, and were told that His Royal Highness was at Bagnolet.

'No! no! He is inside! Make him appear, or we are going to set everything in a blaze. Open the gates. The Regent! We want the Regent!'

That was at six o'clock in the morning, and the Regent, who had not very long been in bed, was asleep. The shouts and cries woke him.

'The Regent! The Regent! The Regent!'

To divert their impatience some one cried out:

'Let us go to the Tuileries!'

'No! We had better go to Law!' called out another.

'Yes. Let us go to that rascal's house. Yes! Yes! We need another corpse.'

'Where does he live?' asked men from the suburbs.

'In the Place Vendôme, quite close to the Rue Saint-Honoré. Yes, let us go to that rascally fellow.'

And off they started.

Law also was still asleep.

'Don't be alarmed,' said he to his family, and he was trembling as he spoke. Then, turning to the footmen, he told them to mind the doors.

Why ever had the Swiss Guards been removed three weeks earlier?

Windows were shattered; stones were falling into the rooms.

At the Palais-Royal the Regent was reviving his spirits with wine. He had finished his toilette, and given his orders, and was surrounded by the *roués*, who had just come in from a drinking bout in the Faubourg Saint-Antoine with their wigs askew and soiled lace. The musketeers were sent for, and were told to include a number of them in plain clothes. Then the French Guards were called up, and the night-watchmen.

Le Blanc arrived on the scene, and was followed by La Vrillière. They both spoke to the people. The Duke of Tresmes, the Military Governor of Paris, got out of his coach and said a little: 'Now then, gentlemen! What is all this trouble about? Now, now.'

By opening and then reclosing the gates the crowd had been cleverly divided, and horsemen were able easily to sweep back the stragglers in the street.

Then Law appeared. On his way through the little lane,

Quinze-Vingts, a woman who failed to recognize him, had asked him some question.

'What is it you want?' said Law. 'Money?'

'I want my husband.'

The woman was the wife of one of the men who had been killed.

The shouts and cries increased as his coach drove into the courtyard, and many shook their fists at him. 'Rascal! Rascal!' called out one man, usually a timid creature, but who now became bold and impudent.

'You are poor, miserable wretches,' he remarked before he rushed into the Palais-Royal. The coachman wished to ape his master, but he got the worst of it. He was wounded and the footmen made off. And then the infuriated mob struck the coach and broke into it from behind, and meanwhile, as soldiers tried to disperse them, they called out, jeering: 'But surely anyone may approach the King's carriage.'

As soon as the *Parlement* learnt what was going on it burst out in expressions of joy: 'And what about Law? Has he been torn to pieces? No! What a misfortune that is.'

For ten days Law did not dare leave the Palais-Royal, and he took his meals at the house of Madame de Nancré, and slept at Cochet's, who was a valet-de-chambre to the Duke of Orleans. Later on the Regent gave him rooms for himself.

All the same, people still kept guard in the Place Vendôme in the face of the Swiss Guards, who had been recalled.

By the afternoon of the 17th the mob had been dispersed. At about three o'clock a gorgeously-dressed but

filthy old man got out of a coach drawn up in front of Law's house. The old man took long strides which made him appear ridiculous. He had a grey wig, a swollen red nose, from which snuff was generally dropping, and his sleeves and cuffs showed traces of bottles of wine which had long since been drunk.

It was an old friend of the time when he had been in Florence, and formerly a Grand Prior, who, having now sold his religious office, was endeavouring to get married, but was unable to find any woman able to fall in with the wishes of such a diseased and decrepit old creature. He was hopeless. For the last three days he had been in bed, blind-drunk.

'My dear Law! My dear old friend! I am going to embrace him.'

He had just recollected that he was in urgent need of ten thousand *écus*. And that was the moment when Vernezobre packed up his luggage and started to rejoin his fifty millions, which had been sent into Prussia. That young man was not without shrewdness; he knew that his palmy days were over.

Overpowered on all sides, Law had no more dreams of maintaining the System. All he wanted to do was to negotiate the notes of exchange with as little disorder as possible, and contrive to save his beloved *Compagnie des Indes*. With that object he persuaded the Council to advise the King to grant in perpetuity all his rights and privileges for the Company to absorb in twelve months six hundred million notes. But *Parlement*, discussing this matter on the 17th, in the midst of hubbub rejected any such decree.

Why, in the previous year, had he not followed the

advice of the Duke de La Force, who had wanted to see the accounts of the lawyers repaid in paper, and to replace the court by an assembly composed entirely of servants? Only one man had risen to defend the continuance of that third-rate institution – and that was his most ferocious enemy, the Duke of Saint-Simon.

On the 18th of July another excited little Council meeting was held, and it decided to banish the *Parlement*. Consequently that little 'troup of comedians' started off on the 21st for Pontoise, well supplied with money, so that they would not feel bored there.

The indignation of the public was tremendous. Copies of the Council's decision were distributed everywhere by pedlars, but they were of no use. The Council went too far when stating that 'by its persistent opposition *Parlement* has made money very scarce, but in spite of its evil intentions money will be more plentiful next week and notes will keep up their value.'

There is one mistake which all governments share. That is that starting from a given point – the innate stupidity of man – they too often neglect to learn how to fathom it accurately.

While waiting for the bills and notes to cease going down in value much was lost.

During the summer paper-money was sold at a loss of 50 per cent. in the Place Vendôme. Those who had been stockbrokers in the Rue Quincampoix, and had now been hunted out of that quarter, had by this time, after having wandered piteously from café to café, and near the Bank, established themselves in this neighbourhood. It was indeed a camp: although it was ironically enough placed under the protection of the Condés, and of the Missis-

sippi, and those who furnished the supper-parties of the Palais-Royal. As the houses in the new *Place* were not suited for use as offices, tents had been put up for business men – and for topers. If required, contractors even came there to carry on their business.

And women were not forgotten there. There were raffles for jewellery drawn by means of cards. Paper-money was sold for cash. To obtain the precious metals a great deal of all sorts of things were brought as if to market: gold and silver plate, jewels, cloth, various treasures, watches, walking-sticks, rare buttons, and even horses and carriages. People bought up notes in order to pay their debts cheaply, for creditors could not refuse them.

Alas! The System was being wound up. Ruin was going on apace, and men saw, almost with indifference, their easily gained wealth fade away: and went on gambling, visiting the theatre – which was invariably filled with well-dressed people – and making love, very much as a suicide might toss off his last drink of brandy.

Law did not dare stir out of doors. He had almost died of terror. He had refused to go to Saint-Cloud in the Regent's own coach, and His Royal Highness became more and more amused by his cowardice. Fishwives crowded round the gate, swore they would hunt him down if he made his appearance. No longer was he looked upon as a god. He was of the very stuff the Devil was made of, the treacherous Englishman, a dangerous influence, a diabolical rogue. The mob was almost disposed to blame him for the plague then raging in Marseilles and adding to the sum total of the nation's troubles. There were jeers concerning his plans for barracks, the high roads

which were to have been drained and planted with beautiful trees, and the great vessels which were to sail up the Seine as far as Paris, and all the rest of Satan's inventions. . . . 'Liar! Thief! Rogue!' were the cries shouted out by the common people as they shook their fists at his windows.

How could he go on living? He could hear snatches of popular songs inciting the masses to seize the Bank, and to hang the Regent, and to hang Law – it would take only a moment. . . .

The Marquis de Torcy's menservants complained of the shame which was reflected on them owing to their livery being red like that of Law's men.

One day when the younger Catherine had been driven in a glazed coach to the Etoile to witness the return from the fair at Bezons, and in a dense crowd, the odious red liveries had roused the people.

'There is that wretch who doesn't pay even the ten-*livre* notes!' they yelled out. And the coach was stoned, but luckily the coachman was able to touch up the horses, otherwise the child would have been hurt.

Law remained where he was, and had to watch his great work crumble to pieces. At last notes had come to an end. Those of the value of one thousand and ten thousand *livres* were transformed into *rentes*. The circulation of the others was limited until the 1st of May 1721. But as time was getting short, that date had very soon to be changed to the 1st of November.

On the 10th of October 1720 Law, with tears in his eyes, was present at the winding-up of the Bank. Everything he had tried on its behalf had failed, and his honesty, his services, and all his personal sacrifices counted as nothing. Its end was inevitable. A bank

was a wrong kind of institution in France . . . there would never be anything of that sort there again. . . .

'Destroy what you will – but spare the Bank,' he had implored.

It was the *Compagnie des Indes* which he was now anxious to save. At the end of August he had reorganized it, and on the 10th of September had added to it the *Compagnie de Saint-Domingue*, which, already swallowed up by the catastrophe, was still making a struggle, and was the last to fall into his hands. On the 5th of October he claimed in his high-handed way the three thousand *livres* standing over from June, which had not been distributed. He insisted on having them immediately, but people simply laughed in his face. He claimed the right to sign all paper-money: and he placed a seal upon them to distinguish honest and suspected share-holders. People turned their backs on him and wanted him to be placed in custody. . . . How was it that the rogue had not been hanged? For that was not all. He must be going out of his mind. He was actually launching a new subscription.

'I shall have to affix a third seal,' he threatened, 'and then all paper-money without it shall be cancelled.'

He was really quite mad. On the 12th of November he appeared at the general meeting, and he wished to make a speech. But no, they had all had quite enough of him, and members shouted, 'Thief! Thief!'

Law tottered for one moment, and then he fled.

On the following day a share was to be worth one *louis d'or*.

On the 3rd of December Law had a visit from the Regent at the Bank. For the last month he had been busy

putting everything into order – on paper. Nothing could have been clearer than were the accounts he presented to His Royal Highness.

After thanking him for his zeal, His Royal Highness was kind enough to inform him of the plans he had in mind for renewing the well-being of the country.

Law very calmly missed no chance of criticizing those ideas, which no doubt had emanated from Duphiné. And he went on to say, more with simplicity than with impertinence, that he must excuse himself from taking part in any work of the kind which was so far removed from the 'true principles.' However he begged the Prince to let him remain at the head of the *Compagnie des Indes*.

His Royal Highness answered that Law's enemies were bestirring themselves at the moment, and that Marshal Villeroy, Marshal Villars, and especially the Chancellor, were all craving to see him shut up in the Bastille. He also said that the people's anger was growing, and that in the end the increasing number of crimes and the accounts of people who were starving would all tell against him. He insisted he should first stay within his own four walls, and be getting ready to leave Paris for the time being. In fact it would be advisable for him to retire to one of his estates in the country. The choice of where he should go was to be left to Law, provided it was far enough from the capital. Rising feelings in the provinces rendered his departure for abroad desirable without much delay.

Law listened to these orders from the Prince without flinching. His only wish was to know if he would again have the honour of seeing His Royal Highness: but upon this point the Prince was uncertain.

'Monseigneur, allow me then to take my leave of Your

Royal Highness. I have made great mistakes, simply because I am a man. But in what I have done no one can find either malice or roguery.'

To this the Duke answered: 'I know it, Law. You are one of the most honest men who have served me.' They were facing each other, and His Royal Highness went forward, and, putting his arm around the Scotsman, he embraced him as if they were brothers.

For a week Law never quitted the Place Vendôme: he sent for his notary – Ballin – and asked him to take out a power of attorney in the name of Mrs. Law. Then for several days after that he worked with the Duke de La Force, who was devoted to him, and, though he certainly was greedy, he had not proved ungrateful.

On the 9th of December William and Rebecca went to see him, and he then told them that he would soon return, but that just then the wisest thing for him to do was to go into the country. After they had gone he went up into his wife's room, and for the last time tried to persuade her to accompany him. But with that same noble obstinacy she had shown on former occasions she replied that she refused to leave Paris until all their debts had been settled.

'We still owe ten thousand *livres* to the man who has supplied our roasted meats,' said Catherine.

'Indeed!' answered John in surprise, reflecting that the man must have been among the last who had trusted him.

Catherine went on to say gently that she would join him before long, that she in no way reproached him, and that she loved him as much as ever. It was then decided that their daughter was to remain with Mrs. Law, and that John should go away with him.

On the 10th he sent in all his commissions, and sent for

one of his clerks, Pommier de Saint-Léger, that he might receive the decisions come to concerning him and which were then in Bourgeois' coffers. The clerk had brought with him five millions in notes and shares and eight hundred *louis*. 'What is that?' asked Law when he saw them.

'Among the paper-money there was one note to the value of that sum exchangeable at the Mint for cash,' was the answer.

'I had no recollection of it, but it is lucky for me. I had not got as much as ten *pistoles* in the house.'

On the 11th he again saw the Duke de La Force, who was accompanied by the Duke, and he implored the latter to safeguard his wife and daughter.

Throughout Law had preserved extraordinary calmness, and he had recovered a gentleness in his manner which for some time past had deserted him. He was quite gracious to nobles who wished to bid him farewell – for tidings of his disgrace had already found their way into Court precincts. He had but one answer to all the regrets and all the expressions of grief, whether sincere or false, and it was: 'I take no part in anything now: others will be concerned in it.'

Well aware that his departure was very near, the Duke de La Force had asked Law whether there were not papers to be burnt, or anything that he might like to entrust to a reliable friend, and he had said:

'I have nothing to conceal. I can swear to you – and you must be sure to let the Regent know it – that I do not possess one single *livre* in any foreign country. Those who state that Vernezobre went away taking my money with him, not his own, are the vilest slanderers.'

When at last he was alone he paced slowly up and down

in his room, his head bent forward. Then all at once a childish idea seized him: he must go to the Opera just once more.

He ordered his coach, and made his men wear their grey cloaks on account of the people in the streets.

He entered his private box, alone. The curtain went up, and for some little time no one noticed that he was there: and then a murmur rose. . . .

But Law heard nothing. His gaze was fixed, and he could see his sailing vessels making for all the ports of the world . . . and, beyond, there lay New Orleans, ever growing in importance. . . . (It happened that at that very moment a hurricane was blowing and was overturning the miserable huts of the first settlers.)

The hissing increased when the curtain went down, but Law never stirred.

'What impudence!' was distinctly said by some one, and a fine young fellow with a not very refined voice called out, 'Ha! the rogue.'

Imperturbable, Law remained rigid and in an attitude showing haughtiness rather than disdain. It was only during the middle of the last act that he left the house, and told his man to drive home.

The time for his departure had been arranged by the Palais-Royal for two o'clock in the morning. Catherine did not feel equal to remaining alone with her husband and her son throughout the earlier part of that night, and so, after their supper was over, and just as if they were to meet again on the morrow, he kissed her fondly and then embraced the little Catherine, and went downstairs back to his own closet.

His son was waiting for him, looking into the fire. He sat opposite.

'Nevertheless I should very much have liked to see the Duke of Saint-Simon once more,' he said, interrupting his own reverie.

'John! The coach is here, and I must embrace you again. Farewell!' It was Catherine who spoke.

'Good-bye, my dearest . . .'

At the door they embraced again.

John was the last to get into the coach, and he had to push four footmen aside as he did so.

'To Guermonde,' he ordered the coachman.

'Yes, sir, I know.'

The house door was open. Through the coach windows the bronze statue of Louis XIV in the middle of the Place could be seen. . . . It was raining.

The horses suddenly turned, and the coach rumbled noisily away.

'Look, there is a light burning at Crozat's,' said Law absent-mindedly, and said not another single word during the whole of the journey.

PART THREE

ECLIPSE

§1

GUERMONDE

In the small room adjoining the dining-room at the castle at Guermonde, John Law, stretched out at full length upon a sofa, was asleep. The sickly face of the young man – he was only twenty – already showed some signs of a vicious life and was not too intelligent.

The immense fortune which his father had made, while throwing him much into the society of the King, had turned him into a perfect fop. Chesneau had never hidden from Mr. Law that the boy was a very poor scholar and idle as well.

Ever since John had come to Guermonde he had done nothing but sigh and yawn, for he loathed having to go into exile; moreover he was sorry to leave Paris and its gaieties, especially a little dark-eyed dancer from the Opera House. Madame de Polignac had first corrupted him before assailing her friend, the Duke de Chartres: the latter now became a complete *roué*, to the great grief of his Bavarian grandmother.

Being compelled at one stroke to desert the dancer and to follow his father to foreign lands, John was very much inclined to look upon himself as the chief victim to suffer

from the failure of the System: consequently he hid his childish ill-will behind a sly, timid air.

Law paid no attention to his son's behaviour, for he had matters of greater importance to attend to: his days were spent walking in the grounds and his nights at his writing-table.

He now suddenly appeared, his stick tucked under his arm, fidgeting with his fingers.

'The decree of May 22 has been annulled,' he stated. 'And there has been an outbreak of plague at Marseilles on the top of it. The terror which sickness has spread throughout the whole kingdom has shaken public confidence still further. And then the English were against me. They may not have actually caused my downfall – but they were not sorry to see me come to grief. I was right not to trust Stair – or Du Bois either . . .'

Law, completely absorbed in his own thoughts, was speaking to himself rather than to his son, and, as likely as not, would have made these remarks to a tree or to the wall. His one wish was to relieve his mind of torment. At last he became silent for a long time.

Later on he drew a piece of paper from his pocket and said:

'I have had a letter from the Duke to say that the Regent has had our passports made out.'

'Is it still to Rome where we are going, Father?'

'That is the refuge of all great exiles,' declared Law with dignity, 'and I shall require the authorities to grant me the freedom of the city.'

The speaker did not consider that it was necessary to add that such a privilege carried with it the exemption for its possessor from all legal proceedings and arrest by his creditors.

'Is your luggage ready?'

'Yes, Father.'

Just at that moment they heard carriage wheels, and Law, slightly alarmed, walked towards the window. Two chaises let down their steps, and Law, now reassured, saw the Marquis de Lassay and Monsieur la Faye get out. He went to the door to greet them.

'His Grace,' said the Marquis de Lassay, 'would have liked to come himself, but he was prevented by the Council.'

This was a clumsy and deliberate lie, and the speaker continued:

'We are now bringing you passports for yourself and your son. Two are in the name Du Jardin, and two are in your own name in case you happen to be recognized. If you are recognized you will find this letter (here it is) from the Regent to his Grace authorizing the duplicate passports. For the sake of still greater precaution Madame de Prié sends you her own chaise and the Duke sends his master of the hunt, Sarrober, who will go with you as far as Brussels!'

'Ah! then I go through Brussels? To reach Rome . . .'

'The passports give you the choice of routes. But in our opinion it seemed wisest to get you to take the shortest way out of France. There are guards in the service of the Duke at Quesbrin, and they will join you and see you to Valenciennes. When shall you start?'

'In an hour's time,' answered Law.

'His Grace has also commanded us to hand you a sum of gold wherewith to pay your expenses on the journey.'

'My dear friend, I shall not accept it.'

'Oh!' exclaimed La Faye, who up to this moment had not said a single word.

'No!' said Law. 'When I suggested to His Royal Highness in November that I should retire, I suggested at the same time that I should pay over to the *Compagnie des Indes* my shares, my estates, and other wealth of all kinds, keeping for myself the wherewithal to settle my debts, and, in addition, a sum equal in value to what I brought into France. In reply His Royal Highness kindly said that I had children and that he did not approve of my property being handed over to the Company, and before I took my leave I informed him that my proposal remained open. All I ask is that he will grant protection to my family.'

'But it is the Duke, not the Regent, who offers you this money.'

'I shall not accept it from anybody.'

There was now nothing for the ambassadors to do but to take their departure.

'I shall write to you,' said Law to the Marquis.

'And perhaps you will soon be back again. Yes, indeed you may. Frenchmen soon forget their mistakes. At least, you can be sure you have faithful friends in this country, and that several of them – I am one – will be delighted to hear from Sarrober that he has safely taken you in good health to Imperial territory.'

General salutations brought their farewells to an end.

An hour later Law and John got into the chaise with Sarrober and the footmen.

Thus it happened that on December 20, 1720, just after midday, the former Superintendent of Finance left Guermonde never to return.

All went well during the first part of the journey.

They had just arrived at Valenciennes and the post-horses were being changed when there arose an amusing uproar which was not unfamiliar to Law. It was the provincial intendant, the elder Monsieur d'Argenson – a son of his former enemy. He rushed to the door of the carriage and told Law that such an intimate friend of his father could not possibly be allowed to travel through the neighbourhood without being entertained by him and being shown the fine sights in the town.

Law guessed there was a trap, but thought it was his best policy to show no lack of confidence. Consequently he agreed to pay a short visit.

D'Argenson read the two sets of passports, and, being much mystified, he at once sent a courier to Paris for instructions. The man was sent back, bringing with him a reprimand.

In the meantime the intendant behaved in the most polite manner towards Law, giving him a gorgeously served supper. This the exile repaid by a severe criticism on the administration of the realm, and on the 21st, just before midnight, d'Argenson, somewhat out of countenance, saw his guest into the chaise.

'I am exceedingly sorry,' said Law, speaking very clearly from the window of the chaise, 'that I have not had time before my departure to go and pay my respects to the former Keeper of the Seals at the Madeleine de Traisnel.' And he went away in glee at having given this parting shot by way of vengeance.

The travellers reached Brussels on the 22nd, having passed the frontier without any mishap.

In the courtyard of the Old Wolf Inn Law bade fare-

well to Sarrober, and gave him some of his last eight hundred *louis*, and then drew from his ring finger his second ring, the one he had bought in France for ten thousand crowns, and held it out to the captain, begging him to offer it on his behalf to Madame de Prié, 'who has so very kindly lent me her chaise,' he said.

In the company of his son he went to look at their rooms, with which he was not satisfied. He was inclined to go and look for another hotel, and he had already ordered a carriage when an amiable little man hastened up towards him. This was Monsieur de Miausse, banker in Brussels. The news of what had happened at Valenciennes had already spread to this city, and the great man was expected. Law accepted the offer which the other made of his own house, and they went there together.

Monsieur de Miausse was keeping back another surprise, and as soon as his guest was refreshed he brought out some bank-notes and asked him to be so kind as to examine them. They were false. Some unscrupulous men in Brussels had discovered the means of counterfeiting his own notes by the aid of the transparency which a lamp gives for imitating signatures to perfection.

'This town never was the right place for me,' observed the former Director of the *Banque Royale*, recalling to mind the difficulties he had had in the old days in getting people to pay him their gaming debts.

Numbers of people were already rushing to greet him. The first to make his appearance was the Governor of Brussels, General Wrangel, a handsome old man, worthy of respect and greatly respected: he was slim in his figure, but he kept a good table. Then there was the Marquis de Pancallier, accompanied by other men of standing, who

politely invited him to call at five o'clock to see the Marquis de Prié, the representative of Prince Eugène, who was governing the Austrian Netherlands in the place of this Prince, and bore the title of Plenipotentiary.

Law presented himself at the Palace at the appointed hour, and the two men had a lengthy interview together.

The Marquis was at one and the same time the most ambitious man in Italy, the most incredibly idle creature in the Empire, and the foremost trickster in Europe. He was at this date sixty-two years old. He belonged to a Piedmontese family of little social standing and of no wealth, and upon his arrival in London some time back as ambassador from Turin he had started to call himself Count de Pertengo, and then, when he was afterwards sent to Vienna he became the Marquis de Prié just as easily. In Vienna he married Diane de Saluces, who was of very high birth, with the result that he was compelled to seek permission from the reigning prince to offer his services to Austria. Since coming to Brussels he had managed to raise the ill-will of the nobles, the State Council, and the people. When he was not engaged in putting down riots he spent his time in eating to excess, sleeping, and gambling, for the smallest amount of work wore him out. Drawing up one short report cost him at least a whole week of effort. His zeal was only genuinely aroused when it was a matter of robbing the Treasury or selling honours and places. He tolerated everything of this kind, and did not draw the line even at the makers of false coins, provided that he had a share in the undertakings.

He told Law confidentially that just now there was great financial embarrassment – money was really very scarce – in the Netherlands, and he asked for his advice

upon several points. Moreover, he wanted his opinion on maritime companies.

The Marquis, after an hour of such weighty talk, suffered from an attack of nerves, palpitations, and a dull, heavy pain in his head, and had to apologize for leaving Law somewhat hastily. But before he retired to his bed he politely gave him over to the care of Madame de Pancallier, who took him with her in her carriage to the theatre. Here they found collected an immense mass of people who had come to gaze in admiration at the distinguished visitor.

The applause with which he was welcomed touched the exile's heart, and Law's calmness and whole bearing astonished all.

When he reached home he was told by Miausse that some man named Baguerel de Pressy had called to see him at about six o'clock. He had said that he came from Paris, and that he had been entrusted with an important mission. Law received him on the following morning.

Monsieur Baguerel de Pressy laid before him despatches from the Czar, who, remembering the promise he had made in 1717, now begged the renowned financier to take his System over to St. Petersbourg.

Law declined the invitation with courtesy. He explained that he was unable to go so far away from France, whither he might be recalled, almost at any moment, in order to straighten his affairs, which had been left in some disorder owing to his hurried departure.

Finding that the man was inclined to insist, Law was obliged almost to turn him out, while at the same time there was a hubbub going on outside.

In the street there were horsemen keeping the crowd

back, for Monsieur le Marquis de Prié had arrived in his State coach to visit Law, and to take him with him to some magnificent entertainment. And after they left the theatre the Marquis d'Esquillache gave a supper in his honour.

On the 24th Law dined for the last time at the Palace; his passports were checked; and he started out in the direction of Cologne at nine o'clock in the evening. Law himself had never felt more alert, but his son had an odd appearance of fatigue.

It was a very slow journey they had crossing Germany, for the roads were necessarily in a bad state at this time of year. And although they never stopped at any place, it took them fifteen days to get as far as Innsbruck.

It was Law's intention to go and stay in Venice for the last part of the Carnival before they made their way to Rome.

The roads of the Tyrol, between so many wearisome mountains, seemed endless to them. They observed with disgust that most of the women in this country had goitres, and that the dress they wore made them look hideous. They wore stockings without feet to them, green hats with pointed crowns, and short skirts which went up as far as to reach their very plump bosoms. Driving up the Brenner, and then down, was a fearful undertaking in the snow. When once they had got past the Trentino they had to go along a road cut out of the mountain side; it was smooth only at Berschen, and they very soon reached the horrible overhanging rocks – they seemed as if they must inevitably crush any passers-by – which lasted the whole way till they got to Bossagne, the first town of the Venetian Republic on this road. They could not breathe at ease until they reached Mestre, which is the port from which

travellers embark for Venice, and which place they came to at last on the night of January 18, 1721.

Law felt, the very moment his foot trod the soil of the beautiful city, which he had so dearly loved in his youth, that all his cares melted away now that misfortune had brought him here again.

There was something triumphant in his voice as he called out the following morning as he walked along by the water:

'Barcheroli! Barcharoli!'

Some of the gondoliers who were hovering near at hand on the blue water brought up their boat, in which Law and his son took their seats, and in the course of about an hour and a half they were in Venice.

While the two servants hurried off to engage rooms at the inn – the White Lion – for Monsieur du Jardin and his son, the gentlemen seated themselves at the door of a *malvoisie* facing the lagoon. A gleam of chilly wintry sunshine was shed on the gilt ball surmounting the roof of the custom house, the wind made the huts on the quay occupied by the galley-slaves rock, for they were deserted at this time of the day, and the *Fusta*, the light-ship, was as usual stationed in the Grand Canal.

'You will remember, John, the departure of the *Bucentaire*,' said Law, as he held his glass up towards the light of the sky, which was now flecked with white clouds. 'You were very young at the time. I had been obliged to go off to Genoa in a hurry. The Prince de Conti, the elder Prince, had just died.'

His voice was calm, and sounded almost gay. He got up from his chair, and, taking hold of his son's arm, added: 'Let us go and buy masks.'

Nothing had changed. At dusk, in the square outside St. Mark's, the crowd was just as dense and just as surging as it used to be. They were among those who were there first, and derived a great deal of amusement by exchanging glances with the passers-by. Law taught his son the language of 'patches.' All at once he drew John aside behind one of the pillars and gave him a handful of *louis*, and gave him permission to take any lady who happened to please him to supper. Then he went boldly into the gaming hall. The journey had brought his ready money to a very low ebb. And now, without any feelings of bitterness, he was going to begin once more as a gambler. Thus it is that history repeats itself.

The very same hubbub was going on all the time, and there was still the chinking sound of gold as well as the clinking of glasses. Great and ceremonious were the acclamations with which Faustina was greeted. But where was Canaletto? The beauty of women fades more quickly even than is lost the glory of men! He was some time looking for a seat, but at last he found one, and sat down between an *abbé* and an old noble bedecked with plumes. He placed his heap of gold on the table in front of him, and, with his eyes half-closed behind his mask, he made some calculations for a little while.

'Ten *sequins* on the knave,' said he at length. '*Paroli*. And *paroli* again.'

He was in the game.

He played on and on until dawn. Possibly he did not play so well as he had formerly done – but he played quite well enough, considering that he gained.

As soon as he had returned to his inn he saw that John's room was empty. He was not annoyed, but only smiled.

Then he spread out on his bed all the coins he had won, counted them, and was quite content with his night's work.

The next day he received the first letter he had had from his wife, and it somewhat damped his spirits. Catherine mentioned that all their property had been seized, that his brother William, Bourgeois, Fénelon, and du Revest had been sent to the Bastille, that Parliament had returned from Pontoise in a state of anger that he – John Law – had been allowed to escape, that the brothers Paris had been recalled, that Monsieur Pelletier de La Houssaye, his successor, was saying everywhere he went that it was a real crime not to have seized the former Director. 'And now,' she added, 'the rumour is that you must have gone off with a concealed box containing twenty-five or thirty thousand pounds' worth of diamonds.'

This falsehood was already being spread throughout Venice, thanks to the French Ambassador, Monsieur Frémont, who also stated that the Scotsman had had considerable sums of money sent out of the country.

All this enraged Law to such an extent that he hastened immediately to the English Resident, Mr. Burgess, and begged that he would arrange to have an interview with Frémont that afternoon, and to make him say upon what he based this vile calumny. Monsieur Frémont replied, not without some insolence, that he believed the vile rumours, that he had written about them to the minister, and that he would do so again.

'Very well,' said Law upon hearing this; 'I am aware that he has had letters urging him to write things to my discredit, with the assurance that it is his best method of courting favour. Therefore I shall make my complaint to the Regent and demand justice to be done to me against

the lies of Frémont's invention.' He then went out with dignity, and drawing his mask from his pocket, he put it on to wear in the street.

On that very same day he sent an angry letter to the Marquis de Lassay; and on the day after he sent another to the Duke of Orleans, to whom he had written twice in the course of his journey in order to modify his original proposals concerning the welfare of his family.

He offered now to place the sum of money, which through the kindness of the King was assured to him, in the name of his children, and at the same time he would undertake to authorize the confiscation of that money if it were ever added to by himself, by his son, or by his daughter, or by any of those who might succeed them.

He renewed this entirely honourable proposal in the letter he wrote to His Royal Highness on January 21, and after he had reminded him of the promise he had made that his property should not be seized, he expressed astonishment to see that it had been seized and that his brother was in prison. Then he protested, and he protested with great vigour, against the infamy of Frémont, and again swore that he had no property of any kind whatsoever out of the country. At the end he pointed out that His Majesty appeared to forget that he owed him considerable sums of money, and that it might be these that were meant by money being 'sent abroad.' He added that he had no doubt that His Royal Highness would grant him his request, and declared that he was awaiting an answer.

The friendliness which Mr. Burgess had shown for Law caused him to visit him again, and the following week

he there met Monsieur de Chavigny, who was one of Du Bois' secret agents.

And in spite of the fact that he was acquainted with the real feelings held by the minister towards him, Law made all haste to extol the merits of the Archbishop, and the meeting was thoroughly pleasant.

The diplomat, who had made a queer start in life for himself by pretending to be the descendant of an illustrious family which was, as it happened, extinct, and, though exposed and dishonoured, he had gone on perseveringly with his intrigues, and used, quite in the usual way and without going too far, very charming manners; by their means he was able to appease the feelings of resentment which Law had for Frémont. Du Bois, at the same time, advised his emissary to be careful, to be distant, though courteous, with Law.

Nevertheless the most ridiculous rumours were getting about, but henceforth they seemed to originate among the mass of the people. For instance, it was whispered that Mr. Law had deposited one hundred and sixty thousand *pistoles* in the Bank of the Holy Spirit in Rome, that he had offered an enormous sum of money with the object of having his name inscribed in the Golden Book of Venetian Nobility, and that his son was going to marry the Duke of Cesarini's daughter, who had got one hundred thousand *crowns*.

Law determined to ignore all these foolish tales, and continued to visit Mr. Burgess and to frequent the gaming-houses.

One day, as he was seated at dinner facing his son at table in the large dining-room at the White Lion, smiling and a little absent-minded, a manservant came up

to him and whispered a few words – for were there not always spies to be considered? A Capuchin monk, who remained in his gondola, wished to see him. . . .

Law soon made his reappearance without repeating any of the conversation to John. But at eight o'clock, still wearing a mask, as was the custom during the carnival, he set out from the house and was taken to the Capuchin monastery.

'I am one of the three persons who are expected,' he uttered in a low voice in the porter's ear, and was led to the two other men, who were shut up in a small room containing seats and a table, upon which was placed a globe.

These three personages continued their debating together for several hours, and when at last it came to its conclusion they were anxious to express their gratitude to the Prior for his secretly given hospitality. Thereupon the monk consented to come and pay his respects, and the first of the three spoke as follows:

'I am Charles Edward, King of England; my father has ceded to me his rights to the throne; these same rights I have fought to maintain; men stationed along the road from Dreux wished to assassinate me; I have found protection only by the efforts of the Pope; I am known as the Chevalier de St. Georges; I live in Rome, whither I return this very night, without being able to spend the carnival in Venice.'

The next speaker then stated:

'I am Cardinal Alberoni; my father was a gardener at Placentia; I was at one time the leading minister in a foreign country; the King and the Queen had to obey my commands; it was I who decided whether or no there should be war, so that all Europe trembled before me;

I was hunted out of Spain and every possible kind of crime was laid to my charge; I came near losing my cardinal's hat. . . . I now place myself in the hands of Providence, and have come to spend the carnival in Venice.'

It was now Law's turn to address the others.

'I am John Law of Lauriston, a Scottish gentleman; I was Controller-General and afterwards Superintendent of Finance in the kingdom of France; I have been king of a distant country; I have owned soldiers and vast numbers of ships; I have founded and directed a Bank in which there have been more *livres tournois* than there have been minutes since the world was created; at the present moment my wealth consists of one hundred and twenty *louis*, and I have come to spend the carnival in Venice.'

The Prior answered that it was wisest to be nothing at all in this world, and at the same time he promised to recommend their souls to the mercy of God.

The three mysterious personages then took their departure in the darkness of the night, and three gondolas slowly threaded their ways in and out between little boats carrying young people singing and making love.

Law kept his main project before him, and left Venice on March 15 for Rome. But he did not go beyond Ferrara, where bad news awaited him. He heard that relentless creditors had assigned their debts to a Roman citizen, and that he would be arrested immediately upon his arrival in the capital. He preferred to avoid this useless and disagreeable experience and to go back again to Venice, but not without taking time, with his son, to go and visit for pleasure and from interest Bologna and Ravenna.

The worthy Mr. Burgess did not hide his satisfaction when he saw that he had come back. He had never been in favour of the departure for Rome, for, as he said, Law ran the risk of compromising himself dangerously owing to the presence there of the Chevalier de St. Georges, which filled the city with Jacobins. And then wouldn't Law be nearer France if he stopped in Venice, and in this way better able to attend to business?

The Scotsman devoted his attention to business as well as to gaming, by means of which he made a living. He left the White Lion Inn, as he found it too expensive for him, and hired a small lodging – which, however, did not please his son, who obstinately went elsewhere.

And then the news from Paris was getting worse and worse.

The Regent was giving him up: the Duke was not seriously administering justice, and his enemies, the brothers Paris, were simply wrecking the little that still remained of his work. No doubt with the intention of making the disorder worse than it was, they had insisted on a further *visa*, or investigation. The *Compagnie des Indes* was the first to be so treated, and claimed from Law 16,254,709 *livres*, 3 *sous*, and 6 *deniers*, and 3,468,694 *livres*, 16 *sous* from his brother. Law himself considered the former claim ridiculous and the one against William abominable, for the latter had merely allowed his name to be used when funds were being sent abroad. He also made a protest against the unreasonable behaviour of *maître* Tartel, Controller of Revenue, who, when he was charged with carrying on the seizure and sale of goods, claimed for the King and for the Company connivance with the office specially created for that purpose.

On the other hand, he approved of the initiative taken by his wife, who, with his attorney, Castel – a very zealous and honest fellow – had called for a meeting of creditors at the house of the notary, *maître* Thouvenot.

But if he looked upon as his creditors all the people who had sold him land and the various workmen employed in decorating and repairing his mansions, none of whom had he ever paid, he handed over to the State the gentlemen bringing forward recognizances which he had remitted during the months of September and October 1720. 'It is by command of His Royal Highness,' he explained, 'that I have repurchased their shares at five thousand *livres* above the current price; and this matter actually cost me 7,437,342 *livres*. In this I was not acting on my own behalf – but as a minister executing the Prince's orders.'

He went still further when he learnt in June that the commissioners had just decided to affix their seals in the house in Neuve-des-Petits-Champs, where William Law was living, and where his wife and daughter had been in refuge ever since they left Place Vendôme.

Henceforth he went to the post office more often than did anyone else. He wrote to Catherine, to *maître* Castel, to *maître* Ballin, his notary, to *maître* Thouvenot, to the Marquis de Lassay, to the Duke, and to the Regent, to whom he recalled the promise which he had made to protect his children. And he implored His Royal Highness to allow him to return so that he might, by being on the spot, put everything quickly in proper order.

The faithful Mr. Burgess advised him to go and live in London, in order to be able to get to Paris the more easily, and he offered to make this proposal himself by

letter to Lord Cartaret, Secretary of State in the Walpole Cabinet. Law agreed to this, and was all in a moment delighted to return once more to a country which he had in early days thoroughly hated.

In the middle of July, as he happened to be coming back to his lodgings, he met one of his servants in the street, who said that Mrs. Law had arrived.

Law was overcome with joy, and rushed up the stairs as fast as he could.

'Catherine! Catherine!' he called out, and pushed open the door.

He dropped his arms in terrible disappointment when he saw that it was only Rebecca – William's wife.

She seemed to be quite worn out after her journey, and she was miserably clad; and poor Law listened sorrowfully to the tale of the woes which had befallen his family.

Rebecca began:

'They have taken away from us everything they could – yes, *every* thing! Du Bois got your beautiful library . . . and as for my own jewels . . .'

'But how is Catherine?' interrupted Law.

'She remains undaunted.'

'And what about my daughter? How is she?'

'Just as gentle and good as she always has been.'

'Now tell me all about William.'

'Oh! poor fellow! He has gone to Fort l'Evêque. Should you like to go through these documents with me? They have been pouring in from all over the country, as well as from abroad – Amsterdam, Madrid, and from England too. Now then . . .'

'Wait just a moment: I must put on my spectacles if I have to read all this jargon. My sight is not so good as

it used to be, my dear Rebecca. . . . Where are they? Here. I've got them. Let me have some of the papers.' And Law started to read out – half to himself.

'*Brunemanus, in his commentaries, quotes Carpzévius in proof of the truth of this, while upon the other hand Cevarruvias.* . . . (Oh! dear, dear!) . . . *But I shall quote from all the authors: Cagnobus, Hostiensis, Arrias Pinellus, Robertus Aurelianus, Paul de Castre, Balde, David d'Argent, the eminent Professor of Antwerp University.* (Now he's coming to the point.) *Would anyone dare uphold Cujas against the illustrious lawyer, Charles Dumoulin? My answer is this: In accordance with what has been said upon this subject by the two pagan emperors – Diocletian and Maximus – and by several doctors of civil and of canon law.* . . . (Surely he has come to an end at last.) . . . *Failure dates from the day upon which the debtor actually withdraws from his business.* (Why ever couldn't the fellow say that straight away at the beginning? And here's some more yet!) *In accordance with the perpetual decree proclaimed by the ancient law-givers in Flanders, the statute of Bologna of the year* 1474, *the statute of the Kingdom of Naples, the proclamations delivered at Moulins and that of the year* 1667.'

'And now what is this really about?' asked Law, when at last he came to a pause.

'It refers to the payment for the workmen who decorated your mansion at Nevers,' answered his sister-in-law.

'We had better mark each piece of paper as we go along – that is what the Duke d'Antin used to do so that he would recognize them in among his piles of papers. You sit down there and we shall go through them systematically.'

They worked on in this way for several days and for

two or three nights. When they had quite finished Law drew up a clear statement of his affairs for *maître* Castel, and gave it into the hands of Rebecca, and it was soon afterwards that he saw her take her departure. He was not sorry when she left, but he mustered up kindness of feeling enough to go, accompanied by John, to see her start off in the public gondola. There was just one little thing which very much annoyed Mrs. William Law: and that was to see the young man carrying a gold-headed cane.

'It strikes me that your aunt is a greedy woman,' said Law to his son. 'Your mother will have to be careful in her dealings with her. . . . Are you coming with me to see Mr. Burgess?'

'Friends are expecting me, Father.'

'Well, go and enjoy yourself. A young fellow must have some amusement.'

The English Resident very soon told his friend all about the reply he had had from London concerning him.

The British Government, while not expressing any especial joy at the prospect of having Law back, did not refuse to let him return.

Thereupon he began his preparations to leave, and, much though he liked Venice, he was perfectly content to live elsewhere. He was fortunate and won high stakes at the gaming tables, so that he was able to buy a few pictures, for in spite of poverty he had kept his great fondness for art.

Having bid farewell to Mr. Burgess, he started by chaise from Mestre, his son with him, on his journey to Hanover, taking the route through Bohemia and Germany.

Reasonably enough, he thought he might be able to get

some inkling while he was in the capital of the Electorate – it was governed by the King's grandson – of what people were inclined to say and think at home of his return.

Prince Frederick graciously gave Law audience and otherwise treated him well. He advised Law to go on to Copenhagen and join Admiral Norris, then commanding the Baltic squadron, and who was at that time preparing to return to England, having just failed in making the Czar accept peace, or in starting a war between Russia and Sweden.

The admiral, being informed of the proposal, very politely offered to take Law and John on board with him.

The fleet eventually set sail on October 17, after having been detained in port at Elsinore. But, thanks to favourable winds, the travellers were able to disembark four days later at the Nore, from which place they hastened on to London without delay.

As Law had his gains upon him still intact, he was soon established in a pleasant and comfortable house in Conduit Street.

§2

COMPATRIOTS' HOSTILITY

In the goodness of his heart Mr. Burgess had seen nothing that was not to Law's advantage in his being in London, so far as his private affairs were concerned. But it did not escape the Scotsman's own acute mind that his return would revive much lively criticism among his compatriots.

For had he not stood up, at the time when his System was in its fullest swing, as an enemy which threatened England, and terrified the late Lord Stanhope, who in the end thought it best to sacrifice the ambassador – the Earl of Stair – to the feelings of inveterate resentment held by the Controller-General of Finance? Still more, had he not tried his best, after private conferences with Torcy and other representatives of the Court of the late King, to destroy the existing alliance, and to draw France away from England with the object of joining in with Spain? The English must be aware of these intrigues, considering that they clashed so violently with the plans of their faithful friend, Du Bois.

He would have to be particularly wary with regard to the declared hostility of the latter, who, having been a cardinal since July and a leading minister of State since August, no doubt would willingly send him to the devil, and could not be expected to do anything to smooth matters for him in London.

These prejudices, all of a political nature, were not the only ones which Law had to face. He was publicly reproached on all sides with having been indirectly to blame for the serious financial failure of the *South Sea Company*: this company, with his old enemy, Blunt, as its leading spirit, had modelled itself in his own great System, and had in fact imitated it so well that it had come to an exactly similar crashing failure.

There were likely to be people who would willingly recall the duel he had had with Wilson. That foolish story came up again after twenty-seven years, and he kept even now his letters of pardon for the murder – but these would not be enough to hinder his most determined enemies from gaining the ear of the great public.

Law was wise enough to grasp the fact that in his present position nothing was so urgent for him to do as to clear up one by one, in order according to their importance, each of his long-standing 'moral debts.' Immediately upon his arrival in London he consequently begged Lord Cartaret to give him audience.

This audience was granted at once, and, wasting no time in making vain compliments, Lord Cartaret and Law came to serious matters of discussion.

Law made no attempt to deny that he had had certain intentions with regard to Spain. At the same time he implored his lordship to recall to mind that when that happened Great Britain appeared to look upon France rather as an enemy than as an ally owing to the prodigious advances France was making in all directions. Was it not the *South Sea Company* which in the first instance had taken measures against *his* Bank? When he had been a member of the French Ministry it was strictly his duty to

prohibit any of the national funds being sent out of the country – it would have been detrimental to the System otherwise. Did his lordship wish to know just why he had struck specially at Great Britain? The reason was that this nation had by underhand methods been the cause of the stock-brokers and jobbers being cleared right away from Quincampoix Street, with the result that the London Exchange and Blunt reaped the benefit. . . .

Lord Cartaret thereupon remarked that such trivial points in matters of such very slight importance were in *no* way the concern of Governments.

This, indeed, was plain enough, and Law had no doubt whatever that this was a fact so far as His Majesty King George counted. But the queer things Lord Stair had done against the interests of the *Compagnie des Indes*, and 'which had made the late Lord Stanhope so indignant,' he added lightly – might not all these worries force a man into error, especially one already overladen with care? He did not hesitate to recognize his mistake. He had been convinced for a long time, and he was every day further convinced by studying facts, that there was no policy more in keeping with the desire for peace in Europe, and at the same time of greater practical utility to the two kingdoms themselves, than the alliance between England and France.

At this point Law made a slight digression, and he spoke in praise of the illustrious and eminent Cardinal Du Bois, in the hope that his words might reach the ears of that cleric. Yes, he went on, to uphold intrepidly the alliance was the most cherished of all his vows. He had no intentions of taking part in active politics. Indeed, when he had once more got his affairs into order, his one idea would

be to live in quiet retirement. As a matter of fact it was but while he was recently in Copenhagen that he had had to refuse the offer which the Czar had again made to him – and there were others into the details of which it was not necessary to enter. He really meant to retire to Lauriston and stay there, subject to the wishes of the Government and of his faithful ally, the Regent of France.

Law's persuasive eloquence convinced Lord Cartaret of his frankness and good faith, so that the interview, begun in a rather chilly atmosphere, closed in something that was not far from friendliness.

The Scotsman had won on this occasion the hardest of his battles to be fought in London, but he had no time to spare in reflecting upon the victory as it deserved.

Soon after this he received a letter which caused him much pain when he read it – and which had grieved the writer even still more.

Cautiously, and with great tact, Castel wrote to tell him that he had just learned something that no one else knew about, namely, that Mrs. Law was not his wife in the strictly legal sense of the word.

'I had forgotten it myself,' exclaimed the so-called husband.

What a long time ago it was already! Ah! yes, yes, he remembered. It was when he had become, in the broader sense of the word, the husband of Catherine Knollys – and that was in London – he had not gone to a minister. For a short time his mother had been a little suspicious; but he had been able to put her off with a few of his fine-sounding words. But a man can't wriggle away from a Court of Justice in quite the same manner, and he would be obliged to show a copy of his marriage certificate.

Castel therefore asked him to let him have his power of attorney, as that which he had given to Mrs. Law was no longer valid.

He had to find some friend willing to assume this troublesome duty for him, and at first he thought of the Duke de La Force. But no, that was a gentleman who had fallen upon bad times. While he had been entrusted to suppress anything in the nature of a 'corner' in the money market, it was found that he was the very first to make one. Finally, and after some consideration, Law was inclined towards the Marquis de Bully, for he was under obligations to him, and towards the Prince de Vendôme, who had formerly been Grand Prior – and incidentally an incorrigible drunkard – and with whom he had been acquainted since the old days in Florence.

The form was duly drawn up as from the following day, November the 8th, in the presence of a lawyer and witnesses, and was sent off without delay to Monsieur Le Verrier, notary, in Paris. The above-mentioned gentlemen were thereby fully authorized to act on the behalf of the above-mentioned Mr. Law as if Mr. Law were present himself, and to have absolute rights in the conduct and bringing to conclusion, according as they might think fit, all his business matters relating to King Louis, all his business in connexion with the *Compagnie des Indes*, and even his personal affairs.

While Law listened to this fine document being read aloud his cheeks were burning with rage, for on that very day questions were being put in the House of Lords relating to him.

The Whigs being in power just then, it was a Tory who made the attack upon the Government. Coningsby, the

most garrulous, obstinate, and absurd man in the Opposition, brought the subject forward.

Oh! no, it was not that he was in the least degree jealous of a mischievous fellow who had done so much to injure a neighbouring country, and whose pernicious projects, when once they had been introduced into that country, had brought forth such calamities. But he *did* look upon him as a dangerous creature. Had not Mr. Law criminally renounced, with the one object of satisfying his own vile ambition, the natural affection which every man feels for his native land? Had he not shown lack of devotion towards a loyal sovereign by showering gold at the feet of the Pretender? Had he not – greatest abomination perhaps of all! – become a Roman Catholic? Their lordships would be guilty of negligence if they did not ascertain whether orders were really given to Admiral Norris to take this monster on board his ship.

Coningsby concluded his speech with gusto, but not without having recalled by a clever passing reference the Wilson affair, for which, in the speaker's opinion, Law deserved to be hanged immediately.

Lord Cartaret rose and asked permission to speak.

There was no doubt that Mr. Law, some years back, had been so unfortunate as to kill a gentleman in a duel, but he had since then received His Majesty's most gracious pardon. Lord Cartaret then went on to remind his hearers that it was a free country, and that the King had no power to hinder any subject of Great Britain from returning home.

After two interruptions, made by Lord Trevor and Lord Cowper, who approved of these last remarks, but who at the same time maintained that the circumstances of Law's return to England in a flag-ship required con-

sideration by the House, and consequently further discussion was postponed until November the 24th.

Later discussion was quickly turned to other subjects, including the unfortunate operations of Admiral Norris in the Baltic, and became stormy. The majority of members were, however, still on the Government side at the end of the sitting.

The friends and supporters of Law insisted upon obtaining a solemn ratification of the letters of pardon without loss of time. And on December the 9th the Scotsman presented himself before the Court of King's Bench accompanied by the faithful Duke of Argyll and his son, the Earl of Islay – with whom he had once played such a good game of piquet in Paris – Lord Orkney, Lord Selkirk, the Earl of Essex, and Lord Londonderry.

When the judge had read out the sentence of death he pronounced the following words:

'Mr. Law, you are condemned to be hanged on the count of having murdered Mr. Wilson. Upon what do you base your claim to have this punishment remitted?'

'Upon the pardon granted to me by His Majesty the King. I have it here, and I most humbly beg that it may be read out.'

Law went down on his knees before he handed the pardon to his judge, and he remained kneeling until the ceremony was over – a ceremony which, by the way, resembled an apotheosis more than anything else.

King George soon felt that he had made something of a mistake in omitting to receive Mr. Law, whose glory, owing to a sequence of most mysterious circumstances, was once again reviving its lustre.

But on January 17th, 1722, His Majesty put this matter right and received Law and his son in audience with great kindness, and kept them in conversation for three-quarters of an hour.

While Law was holding forth upon the merits of his System with extraordinary eloquence, John studied, minutely and unobserved, the King, who was a man rather below average height, but well built, straightforward, and serious. He said little, but what he said was to the point.

Before he took his leave of the King, Law begged permission to present to His Majesty some cleverly executed pictures – he had bought them with such an intention in his mind, in Venice – as a gift from His Majesty's very umble and faithful servant.

The King accepted the gift without the least suspicion that the giver had not at that moment forty guineas to call his own.

Such a trivial circumstance did not stop Law from having his portrait painted by Kneller, the Court painter, or from having his footmen newly clad in red livery, or even from entertaining in his house in Conduit Street people of the very highest rank, who were in their turn invariably flattered to have him at their tables. At one of these suppers he was astonished to come across one evening the representative of Cardinal Du Bois, Monsieur Destouches, author of various little comedies. Law was friendly enough, but the other was rather cool in his manner, for he had to carry out his master's orders, and moreover he remembered that he had lost heavily in selling his own Mississippi shares too late.

Law's winnings at the card-tables were not enough to

enable him to continue his grand style of living. As a change he begged first from the Duke of Argyll, and then from that dear Marquis de Lassay, and even from his one woman friend – Mrs. Howard. 'Just put yourself in my place,' said he to that charming lady when he borrowed two thousand pounds from her.

From time to time he shut himself up in his lodgings; that was while he was waiting for replies to come in from his friends. Otherwise he would most likely be found standing in the middle of a room, with a ring of listeners round him, expounding and extolling the System.

People had given up the prejudice which they had shown in the early days, when certain fools, embittered by the losses they had suffered through the *South Sea Company*, dared to compare his, Law's, prodigious invention with Blunt's ridiculous imitation. 'Men cling only to appearances,' remarked he, shrugging his shoulders, 'and do not judge by events.' But now, thanks to his discourses, people were more enlightened and did him justice, for they recognized his System as practicable and sound.

A certain tactless simpleton happened to use the word 'failure.' . . . Law was in no way annoyed, but was delighted to go into the matter. The System had undoubtedly come to grief, but that had happened only when its originator had been compelled to deviate from true principles. He was never weary of going back to that fatal day – May the 27th – upon which those men, evilly disposed, obtained from the Regent the nullification of his excellent decree of the 21st.

'You will grasp the whole matter better by just one illustration. When Prince Eugène was besieging Bellegarde he himself was, as it were, being besieged by the

Turks. The Prince's enemies lost no time in turning this to their own advantage, and so they represented to the Emperor the danger in which they believed him to be then placed. If the Emperor had then deprived the Prince of his command of the army, and placed it under the leadership of a committee of men not possessing the Prince's talents, and who as a matter of fact knew nothing of war, the Emperor would have lost his army and possibly his states as well. On May the 27th the Regent listened to fools, and consequently he has sacrificed his Prince Eugène.'

The speaker concluded, with his customary modesty, by referring to himself in the third person:

'When I consider the position in which Mr. Law was placed and the disadvantage under which he worked, I am of the opinion that he succeeded far beyond what might have been hoped.'

His melodious and convincing voice quelled his feebler opponents, and everybody was astonished that a highly enlightened Prince such as the Duke of Orleans was known to be should abandon a system which had been productive of so much that was good.

There were still many more to be astonished. But the whole matter had to be clearly explained, and it was Law's intention to publish it in the form of a little book.

Alas! no sooner had he taken up his pen than he found that he would be obliged to put aside the few pages he had written and study *maître* Castel's rigmaroles and jargon, and swamp himself in an overwhelming business correspondence.

On the one hand, there were the State and the *Compagnie des Indes*, which were persistently claiming money from

him; then again, on the other hand, there were his private creditors. He was anxious to settle with the former first of all. But the more he worried the Regent the less likely His Royal Highness was to reply. Since in the previous February he had consented to release William at John Law's special entreaties, he had scarcely bestirred himself at all. Letters, documents of various kinds, and notes were steadily accumulating, for the unfortunate fellow trembled to see that the Government, in its then disorganized state, was taking over his own property, including his land, without paying off any of his creditors. The last mentioned, who had been called together by the Prince de Vendôme and the Marquis de Bully, had formed themselves into a syndicate, and they had already chosen their representatives – the Marshal d'Estrées, the Count de Luce, and the *abbé* Boisot. But they could get absolutely nothing while that devil of a Tartel, the controller of what money remained, in the pay of the King and of the Company, would continually put obstacles in the way of their claims. He then begged that they might examine his accounts with His Majesty.

The whole thing was growing very serious. One wretched creditor, whose name was Mender, living in London, was actually taking proceedings against him, whereby he might at least seize his person. Poor Law was in mortal terror at the mere thought of being flung into a debtors' prison.

Everything was going against him. It was becoming more and more difficult to get answers to his charming little notes, in which were included, with the very prettiest compliments, clever requests for money. Many people avoided his costly society. He was losing one friend a day,

if not more. If His Grace the Duke of Orleans was leaving him in such a state of destitution, the reason must be that the Duke recognized that his theories were false. To be abandoned by the great is always something of a calamity to be dreaded. He was now obliged to give up his lodgings in Conduit Street and find new shelter with his son in two humble rooms.

During the autumn he was slightly cheered to know that His Royal Highness was guaranteeing to Law's creditors the payment of all debts. But at the same time he was indignant that so many of the advances which the Bank had made to foreign courts had to be proved.

'They owe me more,' he said.

And then again, why did the authorities refuse passports to Mrs. and Miss Law when he had begged for them? He had a perfect right to have his wife and daughter with him. He was not a criminal, but the victim of evilly-disposed persons. . . . Throughout the winter he went on writing about it.

His resentment was a little appeased in the spring of 1723 by the return of fine weather, the desistance of Mr. Mender, and the arrival of a small sum of money. In addition he had a visit, a visit of some practical use, from a certain gentleman of fashion – the Count de Gratot – to whom he had never paid the price due for his estate in the Riviera. This gentleman handed him some illegible papers annulling the sale. He could make nothing of them, but when his visitor placed a sum of money on the table he had some idea where the tempter's finger was leading.

'Is it all quite fair?' asked Law.

'Should I propose it otherwise?' was the simple reply.

His brain was too much over-excited just then for him

to trouble to waste time on such trifles. At last he was putting the finishing touches to his little book entitled: *Comparison of the Effect of Mr. Law's System with that of England upon the South Sea Company.*

Those days which he spent in his wretched little room drawing up the panegyric with absolute and moving sincerity were fine indeed. Never before had he felt himself such a great man. There he was, deprived of all his titles, his name erased from the list of the members of the *Académie des Sciences* – what a shame it was – his fortune gone, almost friendless; there was now nothing left him but his genius, and it was upon this that he gazed in ecstasy while he wiped mechanically the glasses of his spectacles.

Before composing a sentence he was in the habit of saying out aloud to himself:

'Mr. Law! Mr. Law!' And then, bent over the paper in front of him, he would go on writing:

'No one had so much as ever thought of the undertakings which Mr. Law actually carried out with astonishing fidelity.'

He always spoke of himself without any sign of pride or modesty, but simply just as he would have done in speaking of any other great man.

He made a clear statement of what everyone had done, not omitting the Regent, and again referred to the annulment of the decree of May the 21st.

'The lack of confidence was unfounded,' he declared. 'The operation in which Mr. Law failed was based upon *principles* and was to strengthen his System, which would enhance the glory of the King and the happiness of the people.'

Upon this point he had no doubt whatever. He revived in his mind none but the days of his triumph, and forgot entirely the dark days of failure. He saw once more the enthusiastic crowds listening to what he said, and applauding it, in London drawing-rooms. He was now convincing himself as he had then convinced them. He was astounded that the Regent had so carelessly given up his extraordinary invention. It was an unprecedented mistake on his part! But could not such a mistake be repaired? Why should he not start afresh?

His gaze had become fixed and his eyes lost all expression: he clenched his fists and shook them: he raised his arms jerkily, and then stood upright. The System was *not* dead. It was within *him* and thus it lived.

'Monseigneur! Monseigneur!' he called out.

He was just at that moment arriving at the Palais-Royal. . . . The crowds shouted their welcome. . . . Catherine was there . . . and his daughter. The Duke de La Force embraced him; the Royal Duke and the Duke d'Antin did the same. He went back into the Bank. . . . Bourgeois was weeping with joy. Fénelon laughed.

And Law laughed too, as if he were a child.

'What's the matter with you, Father?'

John, who had only returned at that moment, looked at his father and felt frightened.

'Nothing,' answered his father, sinking into his chair and rubbing his spectacles.

He was fond of being alone for hours at a stretch. He would get out of his arm-chair and seat himself in a chair specially kept for the imaginary guest, and spoke aloud.

'Monseigneur, I do not pretend that I committed no mistakes. If the whole affair were to be done again I should act otherwise than I have done. I should do things more slowly and with greater caution. And I should place certain restrictions upon cred . . .'

If he might but see Paris once again! Just once more! This was the thought that never left him. Why should he not write – very prudently of course – to the Marquis de Lassay upon this subject?

He had a good enough pretext for writing now, as he had just received printed copies of his book. Yes, he was going to send one of the first copies he had with a beautiful letter with it – a very kind, very serious letter, with no reference in it whatever relating to his creditors and his debts. He wrote it then and there.

He hoped that his friend would show the little book to the Duke of Orleans, and even to His Eminence. It was his earnest hope that he might still be able to be of some service to His Royal Highness, who supported him while he suffered disgrace. He knew that His Royal Highness would surely credit him with right motives, and, further, he offered himself as in a state of readiness to serve in his suite if he were considered worthy.

He read his letter over, folded it, and sealed with wax that paper which was far too precious to be entrusted to the ordinary post. He forthwith took it himself to the French Embassy, having first of all brushed up his best wig, and chosen a not too shabby three-cornered hat. He made his way through the streets, brightened by the May sunshine. He wished to see Monsieur Destouches; he did see him and found him quite friendly. How astonishing!

'Ah! And so you are leaving for France this evening? I envy you. How is His Eminence?'

'Not very well.'

'It grieves me to hear that.'

Yes, it was strange that Monsieur Destouches should be so amiable all of a sudden. Well, after all, perhaps it was not strange. It was clearly otherwise. They were at last going to do him justice. He even thought that they were expecting him in Paris already. The moment seemed propitious. The kingdom had calmed down again; public affairs had been put into bad order, but still they were in order; creditors were to be paid; the *Compagnie des Indes* was being reorganized, and was reviving, while share-dealers would sigh when they saw the shares vanish. Those dealers regretted him. The dealers and a few others. In their hearts everyone regretted him except the great masses of the people – who count for nothing. He could foresee, as he walked along on this sunny morning, new days of glory for his System.

Things were really changing; he was not deceiving himself. Everybody was seeing how wrongly they had behaved towards him. For instance, the Duke of Argyll began coming to see him again.

'Why don't you go and call on the Chancellor of the Exchequer again?' asked this old friend. 'Walpole has a very high opinion of you. He told me so yesterday.'

'What is that you say? Of course I shall go. . . . I shall go to Whitehall to-morrow.'

Poor fellow! Completely wrapped up in his System, he understood nothing else; he suspected nothing.

It was at the house of his brother-in-law, Lord Townshend, that Walpole had been first struck with the

idea upon hearing the Minister for Foreign Affairs express his uneasiness concerning the illness of Du Bois. If the Cardinal failed them they would have some difficulty in finding anyone else in France possessing such devotion to the Alliance.

Walpole, handsome and in very close touch with the Queen and her party, full of wit, an astonishing financier, a bold speculator, and moreover a man accustomed on principle to bribery, remained silent. But the two men soon met again, and Walpole remarked:

'I have the very right man you want for France.'

'Who is that?'

'Law.'

'But he thinks of nothing but living in retirement.'

'Do not be deceived. He is madder than ever, and thinks of nothing but starting his System again. By flattering him concerning his one idea, I undertake to do just what I want with him. I have written to Sir Luke Schaub too. The Ambassador has seen His Royal Highness, and he seems to be not unwilling to recall Law if we press the matter a little. Power will be well placed in the hands of a man who can now desire only the good of his native country. I will prepare him for his return. And when the right moment arrives he can depart with Horace. My brother would keep him. The letter from Sir Luke Schaub is rather odd. This fellow Law still has large sums due to him from the Duke of Orleans. His Royal Highness was bewitched by him. And now he regrets it, and if he could follow his own wishes and inclinations he would have had Law back in Paris already. I am certain that Law never suspects the attraction he has for the Prince. But I shall have to enlighten him.'

Walpole saw Law again, and showed him all the civilities that could be considered reasonable. Finally, the inventor was made aware that a definite course of action was being laid before him. The British Government would support him in his project of returning to France on condition that when once he arrived in Paris he should do his utmost to strengthen the Alliance.

'With all my heart! I am now altogether a partisan. Lord Cartaret knows that,' assented Law.

'That is well,' said the Chancellor absent-mindedly, for he detested the Secretary of State.

'Besides that, I have sent His Royal Highness, who has greatly praised my last published work, a marvellous project. This is not a matter of bank-notes any longer, but has to do with bank-*accounts*. The System will have to be readjusted thoroughly.'

'Yes, yes,' replied Walpole. 'But the Cardinal is seriously ill, and there are many other things of greater importance to be attended to. The Duke of Orleans must take over the Ministry himself. You must write to him to that effect.'

'Ah! nothing could possibly be better for the System.'

'Write at once,' commanded Walpole.

'This very day,' agreed Law, and took his leave.

He seated himself in a wretched old arm-chair in the cramped little room of his, which was exposed to the full glare of the July heat, and wrote out some pieces of advice upon the way to govern for the use of Louis XIV's nephew. He began well:

'Monseigneur,

'There are certain thoughts which come to my mind in relation to the illness of the Cardinal-Minister which

I believe to be my duty to communicate to Your Highness.'

In his opinion, His Royal Highness should carry on the work if His Eminence were to die. Under the impression that Du Bois would not live for very long, he exhorted the Prince to formulate his own plan as from the present time.

First, he defended the peace. The King possessed the largest and the most fertile country in Europe; his power was recognized by his neighbours; war would enfeeble the kingdom all the more if it were extended too much.

'The true way to aggrandize the country was to make it more valuable and to free the Monarch, the head of his people, from cares.'

At this point he slipped into his own affairs with a noble lack of self-interest, and his new business as a diplomat. Speaking about King George, he wrote with great simplicity, revealing without shame of any kind the whole secret of his mission, which, if Du Bois died –

'His Majesty would not perhaps have quite the same confidence in his successor. And it is this fact which confirms me in my opinion that Your Royal Highness should take up the work. The King of Great Britain and his Ministers are satisfied with the manner in which you consider them, and would regard with pleasure your Royal Highness's desire to take upon himself the task of acting as a Minister. Since I came to England I have behaved in such a way as to satisfy everyone, and I believe even that the King and his Ministers would not be sorry if I returned to France, supposing that Your Royal Highness were to judge it well for me to do so, for they would be convinced that I would use the favour which I enjoy from Your Royal Highness in order to further

the good understanding already existing between the two nations.

'And if it happens that Your Royal Highness wishes to put any question to Mr. Walpole privately, I shall be happy to serve him; perhaps also Your Royal Highness may have some secret message for the King of Hanover. I can undertake any such commission without bringing any suspicion upon Your Royal Highness, for it is my intention to take a journey for the sake of my health as well as for amusement.'

This proposed visit to a watering-place – for, indeed, Law's health was not good – raised once more the question of diplomacy. Walpole was really anxious to send Law back to France, but by some indirect route. That was why he had already taken the precaution to write concerning the matter to the German Ministers of King George in Hanover.

These fine points of the diplomatic profession were of no importance to Law. To reach Paris by setting out from London or from Hanover mattered very little indeed. The main thing was to get there.

From the beginning of August it seemed that events were moving more quickly.

On the 10th of the month, at five o'clock in the evening, Cardinal Du Bois breathed his last while still struggling against his doctors, and His Grace the Duke of Orleans – owing no doubt to the earnest persuasions of John Law – had assumed the responsibility of office.

His Grace then had the kindness to allow the former Controller-General to be informed that he, the Duke, approved of his conduct, and was of opinion that the System would have been a success if extraordinary and

unprecedented events had not forced him to deviate from his original plan. He acknowledged graciously that he still needed Law's guidance, and asked for his opinion on the present condition of the kingdom; and he went so far as to declare that he depended upon him to help him to bring France to her greatest pitch of power and glory. The Prince added, however, that just at the moment he was afraid to risk his authority and credit.

The Duke further stated that he rather hesitated to take a part in setting various highly respected persons to work in making plans in matters of finance. Personally he found such people untrustworthy and unfit, and so he asked Law if he would, some time during the winter, draw him up a new plan.

'John,' called out the Scotsman, mad with delight, 'just read this letter. Ah! this is a Prince with judgment. Events of the past have made him cautious. What he really wants is merit. And it is only I who can supply his need. I shall return to Paris. I feel secure now. And the next thing is to start the plan.'

Law drew up his scheme and sent it to the French Embassy, and awaited the answer. This very soon arrived.

His Grace the Duke of Orleans agreed that the man of genius had disposed of all his doubts and fears, and had no misgivings now about carrying out the scheme without any danger to anyone whatever, and that, moreover, success was assured.

Compliments charmed Law, but there was one sentence towards the end of the letter which simply overwhelmed him. The letters of which these few words were composed grew as he looked at them, until they became enormous:

the mere sight of them was quite enough to make him die with pleasure. Was it really true? Was it *possible*?

'Mr. Walpole will be much pleased,' said John.

But his father cared nothing at that moment for Walpole, for England, or in fact for anything at all, except the System.

'Just look. Yes, I have read it correctly. . . . I am not mad. *I am looking forward to your return* . . .'

I am looking forward to your return!

'We shall have to think about our passports now!'

I am looking forward to your return!

'I shall see your mother and your sister again. I shall put my enemies to shame. I shall be back at my Bank. Yes, in a few days I shall be in my own office in the Rue Vivienne. Where is that letter? Let me read it through again! *I am looking forward to your return.*'

He was going to write to His Royal Highness and ask for his final commands, but first of all he was anxious to finish the draft of his plan. It was on the following day that he interrupted his work, which he had not been able to complete, in order to write the letter, which he gave into his son's hands, at the same time telling him to be sure and take it at once to the Embassy.

Then he wiped his spectacles and placed them on his nose, and went on with his writing. The sheets of paper – just as fast as he came to the end of each and 'pounced' it – fluttered down on to the floor round about where he was sitting.

'Ah! What a dreadful December day it is! One cannot see any longer. I must light the candles. And how dusty things are, to be sure. And how far had I gone?'

The ideas are of such a nature that Parliament will accord her full approbation to them, if His Majesty thinks fit to put the question before it.

'Father!' cried out John, who was hurriedly coming into the room at that moment and looking thoroughly distressed.

'Let me finish this,' answered Law.

'But, Father, listen to what I have to tell you. . . .'

'Well? What is it?'

'The Duke of Orleans is dead.'

'Dead? When did he die? But go on, tell me. . . .'

'On December the 2nd, of apoplexy – at Versailles.'

For some little while Law remained as if he were completely stupefied. He then dropped his pen: tears rose and rolled slowly down his cheeks and blended the powder and rouge together.

He had risen from his chair, and began walking up and down the room in silence, kicking aside as he did so the sheets of paper still scattered on the floor.

'He was a Prince held in the highest esteem throughout Europe on account of his great qualities, and for the remarkable knowledge he possessed of the men he had to work under his orders,' said Law at last. 'Are there any details yet as to how he died?'

'Very few. He was with Madame de Falari.'

'Ah!' Law gave one terrible cry and collapsed into the chair, and as he sank he clutched at the lace round his neck as if he felt he were being suffocated.

John, in very great alarm, hastened towards him.

'Tell me, Father, what is it?'

'Nothing.'

'Talk to me, Father, as if I were a friend. . . . We

met her at the house of President Thovenin. Was she your mistress?'

'No, but . . .'

'Oh! Tell me.'

'It was I who introduced her to the Regent, in order to take my revenge upon Madame de Parabère for giving me no support on May the 21st.'

'Do not blame yourself, Father. . . . If it had not been Madame de Falari, it would have been some other woman.'

'I am a criminal! The sound of those papers on the floor which you are crushing drives me crazy. . . . Pick them all up. . . . Tear them in pieces, and burn them. I shall never go back to Paris. I have lost everything now that I have lost him. And it is I, poor fool that I am, who have killed him.'

'No, no,' said John. 'You must not feel that.'

'Yes, yes,' replied the inventor peevishly, and with tears streaming down his face.

§3

ANOTHER VISIT TO WALPOLE

Towards the end of July 1725 Law went once more to see Walpole and to implore him to give him some sort of employment.

For the last year and a half he and his son had been living upon the money received from the late Duke of Orleans in settlement of his financial projects. But this last supply became exhausted, and consequently the future presented a very dismal outlook to the old man, now out of health, who was seeking, so far in vain, some means of subsistence.

There was nothing more to be got by borrowing, and he had completely given up the hope of rescuing even a part of his property in France.

At one time his affairs seemed to be straightening out, and then they would become involved once more – thanks to the lawyers and notaries, all of whom were adepts in carrying on lawsuits and such things. The former owners of the lands and forests of Briare alone were the authors of twenty-three publications, and all these were very costly and wearisome to read. The heirs of the Duchess of Tyrconnel were growing restless. The Duke de Grammont brandished his mortgages. The farmers at Rambouillet refused to pay because the land they held was neither 'enclosure' nor 'forest-land.' The recovery of rents in the Marquisate of Effiat caused him boundless

difficulty. The Lord of Seigneley insisted on having certain houses of his, which had been demolished to make room for a bank, rebuilt: for the bank scheme had been given up.

Meanwhile the Prince de Vendôme and the Marquis de Bully were not idle. Depending upon a decree issued by the Council of State, and dated February the 8th, 1724, which placed the terrible *maître* Tartel at the head of the syndicate, they had called a meeting of creditors on March the 3rd, and, with the approval of *maître* Castel, the attorney who always remained faithful to Law, they had contrived to gain some advantages for themselves. Henceforth nothing was said about the iron-works at Chaillot, and nothing concerning the contractors for the work to be done at Nevers. The Duchess of Sforza expressed her willingness to give up free of charges a life-annuity amounting to thirty thousand *livres*. The Prince de Vendôme, not so generous, agreed to exchange his own life-annuity – worth twenty thousand *livres* – for a payment in cash of two hundred and ten thousand *livres*: and this was made over to him once for all during the following August.

At this time Law wrote to M. le Duc, who had assumed the leadership of the Government upon the death of the Duke of Orleans, and begged him to make some settlement with regard to the accounts, still outstanding in his favour, with France.

He never had the slightest doubt that he would receive a fairly large sum of money from this source. And when once this matter was settled he would undertake never again to make any effort to return to France. It was his idea to fix his abode in England with his wife and children, and his brother and his family. Thus he was to live permanently in retirement. All he still wished to do was to

furnish a complete account of everything that had happened under his administration, and to explain the reasons underlying the various operations. He was convinced that everybody who would read this work would do him justice, just in the same way as that in which His Royal Highness had done – which was as much on account of the soundness of his ideas as upon his lack of self-interest.

Monsieur le Duc, who made several grants of money to the unfortunate Catherine, sent an altogether non-committal reply to Law. It was then that, having come to the very end of all his resources, Law applied to Walpole.

The dauntless speculator received the inventor, now defeated at every point, with feelings of pity.

This man, stubbornly clinging to his chimera, and witty and simple withal, amused the statesman. He was asking for help in his misfortune. Well, what kind of employment did Mr. Law care to take? The fact that he had been converted to Roman Catholicism made it impossible for him to solicit anything of the sort within the British Isles.

Law now remembered that His Majesty's Government had called upon his talents as a diplomatist, and that his first attempt in that direction had been crowned with success by the Duke of Orleans having taken up the leadership of the ministry.

'You wish, then, to be an English secret agent somewhere abroad?' inquired Walpole.

'Yes,' answered Law, casting down his eyes.

'Very well; then you must apply to Lord Townshend. I will give you an introduction to his Lordship.'

On that same day Walpole wrote to his brother-in-law, and made clear to him that the credentials were needed less for use than for protection. To put the whole matter

plainly, it was a question of giving the Scotsman some small income.

Law, with all his arrangements quickly made, and followed everywhere by his son, embarked for Germany on August the 5th, 1725, with orders to go and take the waters at Aix-la-Chapelle, to which place further instructions would be addressed.

Events of great importance were becoming perceptible. The Emperor had made peace with Spain, and was consequently withdrawing from – and even threatening – the Alliance. France and England were doing their utmost in Hanover to win over some of the German princes. Bavaria was one of the States which was then of the first importance to be alienated from Austria. Walpole thus had the foresight to send Law to Munich to plot with that object in view at the most timely moment. The Elector of Bavaria could not have forgotten the vast sums of money which he had received from the Controller-General in former days.

The new secret agent spent two months in the pretty little town of Aix-la-Chapelle, where, although brilliant, dazzling pleasures might be rare, there was quite good company and society. In this society Law joined. Every evening he went to the house kept by the Bougir family – nice enough sort of people, who held receptions and gave balls in a beautiful and well-furnished room.

Becoming tired of taking so much rest, and astonished too at receiving no tidings from Walpole, Law, beginning to think the matter was serious, suggested to the Minister that he should go to Vienna, and there attack the Emperor and his Ministers in a business-like way.

For his abilities, recognized as they were throughout

Europe, placed him in a position in which it was possible for him to point out to His Imperial Majesty, without, of course, raising any suspicion, the dangers gathering round that monarch – he would be speaking on behalf of the Alliance and with a view to upholding the wretched *Compagnie d'Ostende.*

The reply he received from London was not in accordance with his own wishes. He was requested to go to Munich immediately. He started off obediently, went through the quaint old city of Mannheim with its low-built houses, and reached Augsburg on December the 5th. Here he was delayed for three weeks, and was much disappointed by receiving no letters from Paris. To pass the time he went with his son to the Town Hall, and admired its very beautiful ceiling and took part in the amusements going on. They had not far to go, for it was only in the immense hall of the Three Kings Inn, where they had arrived by the coach, that the people of rank met in the evenings to gamble, eat their supper seated at small tables, and to dance.

After dinner on January the 1st, 1726, John Law and his son arrived in Munich. On the next day Law presented himself at the Palace.

The Elector was ill in bed. He received his visitor in his bedroom, and offered him a chair by his bedside. At once they began to speak of business matters.

He had not forgotten the subsidies which had been paid him in the past – and indeed he was hoping for more to come. Equipment for the troops cost a tremendous amount of money, and he was, as a matter of fact, rather short of funds. His State Council refused to burden the people with taxes: the Dutch and the Italian bankers too

would not listen to him when he asked them for a loan. Now what about Great Britain? Could she not give him a little help?

Maximilian Emmanuel, by a glance, invited Law to bring his chair up a little closer.

Would this kindly financier undertake to work the Bavarian finances and show him the best means of refilling his treasury without delay?

Law, delighted to have another chance of showing off his talents, replied that he was only too anxious to place himself at the Prince's disposal.

In exchange, the Prince promised that – as soon as he was well – he would show Law the underground passages which secretly connected the Palace with all the churches and the principal convents in Munich.

Law had completed his work when, on February the 26th, Maximilian Emmanuel drew his last breath. Death certainly seemed to take a mischievous pleasure in frustrating all his plans.

He tried very hard to win over the son of the late Prince; but Charles Albert put aside his advice. He preferred to see to the matter himself.

The unlucky Law modestly retired to his lodgings.

One day he saw a gleam of hope concerning a possible revival of the System. A Minister in the service of the Emperor came from Vienna specially to see him and to talk it over. The flattering remarks and coaxing manners of this personage roused his distrust, and he soon perceived that the man standing before him was a colleague of his own, that is to say, he was a spy. He therefore contented himself with handing to the Minister one of his old schemes, which would be of no use whatever in a

country so much out of date concerning matters of finance as Austria was.

If he was still willing enough to speak eloquently of his System even to the point of becoming wearisome, it was in a style which tended to become more and more mysterious. The word 'secret' very often occurred in what he happened to be saying. And with a suspicious expression in his eye he solemnly gave people to understand that he would reveal the whole System in his Memoirs – the preparation of which he constantly postponed from day to day.

The Landgrave of Hesse-Cassel also wished to try his luck in May. This worthy fellow was trying to secure some means by which he could pay up his debts *without any expense*.

Meanwhile Law went on forwarding his important letters, filled with useless information, to Walpole. Spring, summer, and autumn passed, and no sign of an answer came. But as he regularly received his salary he at last understood.

His health was poor; he longed for Venice, where gaming-tables furnished greater resources than were available in this tame little city of Munich, in which the climate did not really suit him. With the near approach of bad weather he implored the English Minister to give him a fresh commission, and also mildly suggested the beautiful Republic so dear to him in his early days.

Without any delay the generous Walpole acceded to this last desire.

'Your mother and sister will soon join us,' he told John. 'My affairs will soon be settled up now; yes, indeed, I see

that they will. We are going to live in happy retirement – and I shall write my Memoirs.'

When the two men disembarked on the quay it was again Carnival time.

The festive air of the place cheered him up. His health suddenly improved and his good-humour revived. By degrees he became his own real self, of which it was only the outer covering that had grown old. He no longer kept out of society, as he had done the last time he was here.

Mr. Burgess was away, but he saw Monsieur Le Blond, the French consul, again, and he discussed interesting reports with the Count de Gergy, the new ambassador. He called upon his former acquaintances. Now and then he went for an hour or so's chat with Rosalba, who had made portraits of his whole family when she was living in Paris. Together they called back these recollections. All that was in 1720! In the previous year Law had given an order to Rosalba's brother-in-law, Antonio Pelligrini, for the ceiling in the hall of the so-called Mississippi Bank. Never would his eyes see it again! Was he enjoying himself here in Venice? Yes. The Venetians were charming people and treated gamblers with due respect.

'There are only old men left,' he said laughingly, 'and they whisper as I walk along, "This barbarian talks well, but has nothing to show for it." '

In fact, his brain was beginning to seethe once more with ideas of all kinds. He was combining new projects together. He wished to restore power to the Republic, and was indignant that the indolent Government allowed the lagoon to remain shut off as it was, without appearing to see the disadvantages which ensued for the Port of Venice. Ships were no longer able to set out except

through the canal, instead of leaving and arriving, as they used to do in former days, from all directions. The papers he laid before the Senate were not even read.

There came a moment when he believed he was just going to make his fortune. . . .

He had instituted a marvellous lottery, by which he was certain to win twenty-five thousand *livres* each time there was a draw. But he would have to take his project beyond the frontiers of this suspicious State, for the magistrates in his district very promptly prohibited it.

He returned to the gaming-tables. But as he could now risk fairly small sums only, it often happened that he lost. And he went to the pawnbroker to pawn the beautiful ring given to him by the English Princess, and got it out of pawn again when his luck had turned. In this way did he reap the benefits sown in his wild youth now that he was an old man!

These various occupations never stopped him from thinking of his business affairs. Power in France had passed from the hands of the Duke into those of Cardinal Fleury. However, affairs were dragging on as they had done before, and the State still refused to approve his accounts. He was furious about this, but his fury was in vain. Catherine, too, was taking steps, also in vain, to obtain the interest on the million of *rentes* taken by John in her name in August 1720.

'Insist on getting it,' he wrote. 'The contract is valid, and it is mentioned on the certificate that it can never be seized by any one else – even on behalf of the King.'

It sometimes happened that a piece of good news came to him, even in the midst of so many annoyances. In 1727 there was an order given for a road to be made which

would pass along a piece of land belonging to him in the Faubourg Saint-Honoré.

'Here am I, with at least two hundred thousand *livres* to the good,' he explained to his son.

And thereupon he picked up his three-cornered hat and took his ring back again to the pawnbroker.

It was in the following year that, as he was returning from one of these troublesome journeys to the money-lender, he saw a stranger at the window at his lodgings waiting for him and taking the air at the same time. He hurriedly went up the stairs. Who was this handsome old man with bad sight and a narrow face, which looked as if it had been pulled along by the nose?

'I am Monsieur le President de Montesquieu,' said that gentleman as soon as the formalities were over.

'I know you by name, sir,' replied Law in a meaning tone. 'For I have read the *Lettres Persanes*, including Number cxlii.'

The visitor had no time to say one word before the Scotsman had started to recite:

'In an island situated not far from the Orkneys there was born a child whose father was Eole, god of the winds, and whose mother was a nymph of Caledonia. It is said that he taught himself without any help to count on his fingers, and that from the age of four years he was so perfectly well able to distinguish the various metals that once, when his mother wished to give him a brass ring instead of a gold one, he recognized the deception and threw it on the ground.

'As soon as he was big enough his father taught him the art of bottling the winds and selling them forthwith

to all travellers; but as it happened that this article was not highly valued in his native land he quitted it, and, accompanied by the blind god of chance, he began to go further afield.

'To the very last line of your letter you continue to treat me with absolute injustice. One fable, sir, is worth another. I once saw presented, in a theatre in Paris, Aesop as a shining example of disinterestedness. His enemies accused him of possessing treasures in a box which he often visited; they found in it, however, only the coat which had belonged to him before he won the favour of a prince. I have been accused of pretending to have treasure; but I have not managed to keep my old coat. Just look for one moment, sir, at this house. There are few, if any, examples of a foreigner who, having gained the Prince's confidence so completely, and having amassed a fortune by such honest means, has left France without keeping either for himself or his family even so much wealth as he brought into the country originally. I have sacrificed everything to the Company – even my children's interests. I love my children tenderly, and they deserve my affection. At the present time they have neither a home nor wealth. I might have let my daughter marry into the leading families of France, Italy, Germany, or England. I had no wish to be dependent upon a marriage contract, but on the value of my own services. The whole of Europe must by this time be convinced of my honesty of purpose and of the state I now exist in. I don't receive any more offers of marriage on behalf of my children nowadays,' he concluded in a voice which sounded both bitter and slightly malicious.

At the end of this speech, which was pronounced with

a touch of the dignity he sometimes showed, he was anxious to explain to Montesquieu the actual working of the decree of May 21. He needed no papers; everything was still clear in his memory. He quoted figures, dates, and even exact hours. 'Then Mr. Law said . . .' he would go on.

And meanwhile Montesquieu, screwing up his eyes (they were very weak), watched in astonishment the mobile face of the man before him, old, it is true, but filled with his former eagerness and fire, and thinking of nothing but calculations, new schemes – and shadows.

The two men saw each other several times again after this, and talked over the System.

Speaking as a Parliament-man himself, the traveller wanted to know why it was that Law had never tried to win over the Parliament at Paris to his side by means of corruption, as Walpole had done in England.

'There is an immense difference between the two bodies of men,' rejoined Law. 'In England the Parliament makes liberty consist in what it wants done; the French Senate in what must be done. Interest may compel the one to do what it should not do, but it rarely forces the other to do what it does not wish.'

Montesquieu considered this opinion and showed some surprise. He thought that Law was perhaps an enemy of the Parliament.

'No,' said Law, 'on the contrary, Parliament was my enemy. I merely detested those of the members who brought dishonour upon it.'

It was now Law's turn to ask questions.

'How is the Duke de Saint-Simon?'

The President could give no reply, for he did not know.

It was one of the greatest pleasures for the exile to receive tidings of all those whom he had formerly known, more especially of his clerks and his old stock-brokers and dealers.

He questioned all the Frenchmen who passed through the city, and repeated his news to John, and thus called up memories of the past.

Fénelon was very rich; André was ruined; Poterat had become a steward to the King, and was exceedingly proud of the title; Paumier de Saint-Léger had been fined to the extent of 217,240 *livres*; Bragousse was not very comfortably off; La Chaumont was still rolling in money; La Mothe had ended by becoming a counterfeit coin-maker; Koly, one of his accountants, had gone off to Louisiana; no one had any idea of what had become of Boula. As for Vernezobre, he was making a startling sensation in his native country, where he had been made a Knight of the Black Eagle.

This last piece of news made Law indignant. The Prussian who gave him this information paid for the other; and Law put matters right by letting him win at pharo.

'That was quite easy,' he said as he told the tale. 'These Germans are the most wretched gamblers in Europe.'

§4

END OF CARNIVAL

The Carnival of 1729 was nearly over. Many foreigners had already gone away. The Piazzetta now appeared to be empty.

Law noticed this particularly one evening at the beginning of March, as he was coming back from the neighbourhood of the Arsenal, carrying a picture under his arm. He was still an incorrigible collector in spite of his misfortunes.

Just by the little church which stands opposite St. Mark's, on the other side of the Square, he heard himself addressed by name. It was a chance acquaintance he had made at the gaming-tables, who wanted to tell him about a curious point in a game. Law listened with close attention, and then he shrugged his shoulders.

'You should have made *paroli*,' said Law, and thereupon he demonstrated to the unskilful player, just as he was, standing before a pillar, his legs wide apart, his three-cornered hat pushed back. He drew the figure with his clever finger on the stone, paying no attention to a guide who was at the time pointing him out to a party of travellers.

'You are a wonderful man, Mr. Law,' affirmed his friend.

'I simply have a streak of genius.'

'Are you coming to play this evening?'

'No,' answered Law. 'I have a touch of fever, and I shall stay indoors.'

His son had already gone out when he reached home. At once he scolded the servant for letting the fire go out.

'That is because there is no wood, sir, and no money to buy any either,' replied the servant. 'And the tailor called again this afternoon.'

After all he would have to go to the gaming-table, though indeed he felt ill enough.

'I am not taking any supper. Bring me my grey shoes,' he ordered. The man showed him there was a hole in the sole.

'What does that matter so long as my feet look elegant? You must call me a gondola.'

He gambled for firewood, for the tailor, and for shoes. It was not until two o'clock that he left the house in St. Mark's Square, after having won considerable amounts. Was it fever, or was it the heat in this place? His head was burning. He thought that fresh air might do him some good, and so, forgetting all about the holes in his shoes, he walked home through the wet streets.

He coughed all night.

'It is only a bad cold,' said he to John, who was uneasy, the next day.

Law quickly became worse, and the doctor was sent for.

News of his illness being soon spread over Venice, the French Ambassador came to the sick man's bedside.

But the exile understood quite well what the visit of the Count de Gergy meant: the Ambassador was less concerned with his health than with his famous 'treasure.'

'But there is no treasure,' he swore, 'and there are no memoirs either.'

He had given up all idea of writing his Memoirs owing to the very awkward position he was placed in, for he could not accuse the highly-placed cheats and others considering that his own wife was still living in Paris.

The diplomat, reassured in these matters, implored Law to end his days as a devout Catholic should, and thus please the *abbé* de Tencin.

'I am willing to die as you wish. When everything else is lost,' said he, 'we need not discuss the manner in which it goes.'

Consequently he was politely willing to receive Father Origo, a Jesuit.

'How suddenly the end comes,' he sighed. 'Only a fortnight ago there was I on the Piazzetta with my picture under my arm, very much pleased to have got it in my possession. And now I am to die to-morrow without my affairs ever having been put into proper order, and without knowing, on my own part, what property I am leaving for my children. I have made a gift of all that is still owing to me to your mother, John. I have no doubt that some day it will be recognized that my accounts were honest, and it (the gift) will come into your hands greatly increased.'

He then asked for his papers to be brought and put on the bed. He divided these into three packets. In the first packet he arranged everything that was to go to his son; in the second he put the documents which were to be handed to the Count de Gergy; and in the last, intended for Mr. Burgess, he placed all that related to England, and more especially his new proposals to the Venetian Senate, of which it had never yet availed itself.

On March 21st he suddenly guessed that the end was

near. He beckoned to his son, as if anxious to waste no words.

'I have kept nothing secret. Nothing. You will go to the King at Versailles, and you will implore His Majesty, on behalf of a dead man, to show you justice and generosity. Pro-o-o . . .'

The French Ambassador, who had remained in the house, stealthily opened the cupboards, tapped on the walls, and sought carefully the hiding-place where he would find the treasure, now came up to the bedside. With one glance he warned John to take no oath which he might be unable to keep. This precaution was useless. The dying man was already sinking. Together the young man and he who was spying upon him saw him twisting the edge of his vest between his thin fingers for five minutes: and then his fingers were still.

Law was dead.

Slowly his face, his eyes now closed, assumed the noble and candid expression which had so often been his in life.

John, just as other sons have done who watch the last moments of their fathers, uttered one cry and his head dropped upon the quilt, and, still speaking to his father, he wept.

Three months after the death of Law the Council of State issued on June 18 the decree which Law had begged for ever since he left France, and which now declared that he owed nothing whatever to the King or to the *Compagnie des Indes*.

The remainder of the estate was bestowed, a few years later, upon William Law and his children, who were the natural heirs and under the protection of the Duke and

Madame de Prié; the gift subscribed at Venice by the former Controller-General in the name of Catherine Knollys not having been admitted as valid.

There appeared a mysterious person, Garcin Lucy by name, who gave out that he was a citizen of Paris, and who was certainly well up in points of law. Nobody knew anything about his nationality, his social standing, or his ways of life. He said that he possessed a deed of gift from the King relative to the inheritance. He made a foul attack upon William Law and upon Rebecca, who on their side instituted against their adversary a private friend called Makenki, whose skilfulness had not invariably won him high praise in the law courts of France or elsewhere.

Is it possible that Garcin Lucy was acting under the instructions of Law's widow, who was still struggling against her selfish and envious sister-in-law?

She never revealed the secret.

Early in May 1729 she had quietly escaped from Paris with Mary Catherine. They went to Utrecht, where they joined John, who had become a cornet in the Prince of Orange's regiment. The three led a very secluded life in that place.

In 1734 the mother and daughter settled down in Brussels. The young officer had recently died of smallpox in February at Maestricht. A widow named Saint-Paul, with whom he had been acquainted in Paris when he was seventeen, now eagerly claimed 200,000 *livres* which were due to her. This demand was harshly refused by the magistrates.

While she was still in mourning for her son at Brussels Mrs. Law received a visit from her nephew, Viscount Wallingford, who was a major in the First Horse Guards

and aged twenty-four years. The beauty and gentleness of Mary Catherine touched his heart. He asked her hand in marriage, and they were married on July 4. The Viscount disappeared in 1740: his wife died fifty years later in their beautiful house in Park Street.

In April 1747 there was buried in a cemetery at Liége a poor woman, whom on this one last occasion it was agreed should be called Mrs. Law.

She had in her possession no more than four hundred guineas, some rare jewels, a small quantity of plate, several pictures, one letter from Cardinal Fleury, and another from Monsieur le Duc announcing the exile's arrival in Imperial territory. This small property had been left with the English Benedictines in Brussels, together with a much-treasured collection of 'recipes' which might well delight cooks, perfumers, and people concerned in a great variety of trades.

Some years earlier she had been visited by Voltaire. This was while she was in Brussels, and he was chiefly interested to learn details of the last period of Law's life. We may wonder whether she ever mentioned to him the meeting which took place in the Capuchin monastery, at which were also the Chevalier de Saint Georges and Cardinal Alberoni, during the time of Carnival at Venice. . . .

On June 12, 1828, there died in Paris a person of great importance. He had been a comrade of Napoleon at Brienne, and later was aide-de-camp to the First Consul. He had brought the ratification of the peace of Amiens to London. He had been Governor-General of Venice. It was he who had resolved on the victory of Wagram. It was he who had been deputed to accompany the Arch-

Duchess Marie-Louise of Austria from Vienna to France. He had been Ambassador to Russia. Having gone over to Louis XVIII, he had been a captain of the Grey Musketeers and a Minister of State in the cabinets of Richelieu and Villèle.

This was Marshal Alexander Law of Lauriston, grandson of William Law, and the great-nephew of Law.

During the time that he spent in Venice he sought the remains of the great man of the family, and had them deposited in the Church of St. Moses, where they still are – below a simple white marble slab.